DHANI LOANS AND SERVICES LIMITED

Our Company was incorporated as 'Malpani Securities Private Limited', a private limited company under the provisions of the Companies Act, 1956, pursuant to a certificate of incorporation dated October 27, 1994, issued by the RoC, NCT of Delhi and Haryana. Subsequently, the name of our Company was changed to 'Shivshakti Financial Services Private Limited' pursuant to a fresh certificate of incorporation dated January 13, 2010. The name of our Company was changed to 'IVL Finance Limited' pursuant to a fresh certificate of incorporation dated October 19, 2016. Pursuant to a fresh certificate of incorporation dated September 18, 2018, the name of our Company was changed to 'Indiabulls Consumer Finance Limited'. Thereafter, the name of our Company was changed to 'Dhani Loans and Services Limited' and a fresh certificate of incorporation, consequent upon change of name was issued by the RoC on July 7, 2020. The CIN of our Company is U74899DL1994PLC062407. The PAN of our Company is AAACM0725H. Our Company is registered as a Non-Banking Financial Company under section 45-IA of the Reserve Bank of India Act, 1934 and have been issued a Certificate of Registration Number B-14.00909 in pursuance of the same. For further details regarding changes to the name and registered office of our Company, please see "*History and other Corporate Matters*" on page 139.

Registered Office: M-62 & 63, First Floor, Connaught Place, New Delhi – 110 001, India. **Telephone No.**: +91 11 3025 2900, **Facsimile No.**: +91 11 3015 6901
Corporate Office(s): Indiabulls House, One International Centre, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013 **Telephone No.:** + 91 22 6189 1000, + 91 22 6144 6344, **Facsimile No.:** +91 22 6189 1421
Indiabulls House, 448-451, Udyog Vihar, Phase V, Gurugram- 122 016, **Telephone No.:** + 91 124 668 5899, **Facsimile No.:** + 91 124 668 1240
Website: www.dhaniloansandservices.com **Email**: ncdsupport@dhani.com
Company Secretary and Compliance Officer: Mr. Manish Rustagi; **Telephone No.**: + 91 12 4668 5899; **Facsimile No.**: + 91 12 4668 1240; **E-mail**: mrustagi@dhani.com
Chief Financial Officer: Mr. Rajeev Lochan Agrawal**; Telephone No.**: + 91 124 668 5900; **Facsimile No.**: + 91 124 668 1240; **E-mail**: rajagrawal@dhani.com
Statutory Auditors: Hem Sandeep & Co., Chartered Accountants; **Address:** D 118 Saket, New Delhi, 110017; **Telephone No.:** +91 11 4052 4636
Email: ajay.sardana@hemsandeep.com; **Contact Person:** Ajay Sardana

PUBLIC ISSUE BY DHANI LOANS AND SERVICES LIMITED, ("COMPANY" OR "ISSUER") OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹1,000 EACH ("NCDs"), AT PAR, AGGREGATING UP TO ₹1,500 MILLION ("BASE ISSUE") WITH AN OPTION TO RETAIN OVERSUBSCRIPTION UP TO ₹1,500 MILLION, AGGREGATING UP TO ₹3,000 MILLION ("ISSUE"). THE ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021 (THE "SEBI NCS REGULATIONS"), THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER AS AMENDED AND TO THE EXTENT NOTIFIED.

OUR PROMOTER

Our promoter is Dhani Services Limited (*formerly Indiabulls Ventures Limited*); **Telephone**: 011-30252900 ; **Email: s**upport@dhani.com . For further details refer to the section "*Our Promoter*" on page 169.

GENERAL RISKS

Investment in debt securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under "*Risk Factors*" and "*Material Developments*" on page 19 and 187 respectively. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the debt securities or investor's decision to purchase such securities. This 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 RoC or any stock exchange in India nor do they guarantee the accuracy or adequacy of this document.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

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

For the details relating to Coupon Rate, Coupon Payment Frequency, Redemption Date and Redemption Amount of the NCDs, please see "*Terms of the Issue*" on page 248. For details relating to Eligible Investors please see "*Issue related information*" on page 242.

CREDIT RATINGS

The NCDs proposed to be issued under this Issue have been rated IVR AA/ Stable Outlook (pronounced as IVR Double A with stable outlook), for an amount of ₹ 10,000 million by Infomerics Valuation and Rating Private Limited *vide* letter dated March 10, 2021, further revalidated *vide* letters dated May 22, 2021, November 23, 2021, and December 16, 2021, and instruments with this rating are considered to offer high degree of safety regarding timely servicing of financial obligations and carry very low credit risk. For the rationale and press release for these ratings, see "*General Information*" and Annexure A of this Prospectus. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision. These ratings are subject to suspension, revision or withdrawal at any time by the assigning rating agencies and should be evaluated independently of any other ratings.

LISTING

The NCDs offered through this Prospectus are proposed to be listed on the BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**", and along with BSE are referred to as "**Stock Exchanges**"). Our Company has received an 'in-principle' approval from the BSE *vide* its letter no. DCS/BM/PI-BOND/020/21-22 dated December 09, 2021 and NSE *vide* its letter no. NSE/LIST/C/2021/0875 dated December 09, 2021. For the purposes of the Issue, BSE shall be the Designated Stock Exchange.

PUBLIC COMMENTS

The Draft Prospectus dated December 02, 2021 was filed with BSE and NSE, pursuant to the provisions of the SEBI NCS Regulations and was open for public comments for a period of seven Working Days (i.e., until 5 p.m.) from the date of filing of the Draft Prospectus with the Stock Exchanges, i.e., up to December 09, 2021. No comments were received on the Draft Prospectus till 5 p.m. on December 09, 2021.

LEAD MANAGERS TO THE ISSUE

EDELWEISS FINANCIAL SERVICES LIMITED Edelweiss House, Off CST Road, Kalina, Mumbai - 400 098, Maharashtra, India **Telephone No**.: +91 22 4086 3535 **Facsimile No**.: +91 22 4086 3610 **Email**: dlsl.ncd@edelweissfin.com **Contact Person**: Mr. Lokesh Singhi	**TRUST INVESTMENT ADVISORS PRIVATE LIMITED** 109/110, Balarama, Bandra Kurla Complex, Bandra (E) Mumbai 400 051 Maharashtra, India. **Telephone No**.: +91 22 40845000 **Facsimile No**.: +91 22 40845066 **Email**: projectshubh2@trustgroup.in **Contact Person**: Ms. Hani Jalan

DEBENTURE TRUSTEE**	REGISTRAR TO THE ISSUE	CREDIT RATING AGENCY
BEACON TRUSTEESHIP LIMITED** 4 C&D, Siddhivinayak Chambers, Gandhi Nagar, Opp. MIG Cricket Club Bandra (East), Mumbai- 400 051 **Telephone No: +91 22 26558759** **Email:** contact@beacontrustee.co.in **Investor Grievance Email:** investorgrievances@beacontrustee.co.in **Website:** www.beacontrustee.co.in **Contact Person:** Mr. Vitthal Nawandhar	**KFIN TECHNOLOGIES PRIVATE LIMITED (*formerly known as Karvy Fintech Private Limited*)** Selenium Tower B, Plot No – 31 & 32, Financial District, Nanakramguda, Serilingampally Hyderabad Rangareddi, Telangana– 500 032 **Telephone No.**: +91 40 6716 2222 **Facsimile No.**: +91 40 2343 1551 **Email**: dhaniloans.ncdipo@kfintech.com **Investor Grievance Email**: einward.ris@kfintech.com **Website**: www.kfintech.com **Contact Person**: Mr. M Murali Krishna	**INFOMERICS VALUATION AND RATING PRIVATE LIMITED** 104 & 108 (1st floor), Golf Apartment, Sujan Singh Park, Maharishi Ramanna Marg, New Delhi – 110 003, India **Telephone No.:** 011 – 2460 1142 **Facsimile No.:** 011 – 2462 7549 **Email:** cs@infomerics.com **Website:** www.infomerics.com **Contact Person:** Archana Kumar

ISSUE PROGRAMME*

ISSUE OPENS ON: January 04, 2022	**ISSUE CLOSES ON:** January 27, 2022

**The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. during the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or Bond Issue Committee thereof. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement on or before such earlier or extended date of Issue closure in which pre-issue advertisement and advertisement for opening or closure of the Issue have been given. Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. or such extended time as may be permitted by BSE and NSE, on Working Days, during the Issue Period. On the Issue Closing Date, the Application Forms will be accepted only between 10 a.m. to 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by BSE and NSE. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 p.m. (Indian Standard Time) on one Working Day post the Issue Closing Date. For further details please refer to the section titled "Issue Related Information" on page 242.*

***Beacon Trusteeship Limited has by its letter dated December 01, 2021 has given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in Offer Document and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue. For further details, please see Annexure B of this Prospectus.*

A copy of this Prospectus shall be filed with the RoC, in terms of Section 26 of the Companies Act, 2013 along with the requisite endorsed/certified copies of all requisite documents. For further details, please see "Material Contracts and Documents for Inspection" beginning on page 303.

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SECTION I-GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, all references in this Prospectus to "the Issuer", "our Company", "the Company" or "DLSL" are to Dhani Loans and Services Limited, a public limited company incorporated under the Companies Act, 1956, as amended and replaced from time to time, having its registered office at M-62 & 63, First Floor, Connaught Place, New Delhi – 110 001, India.

Unless the context otherwise indicates, all references in this Prospectus to "we" or "us" or "our" are to our Company.

Unless the context otherwise indicates or implies, the following terms have the following meanings in this Prospectus, and references to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended from time to time.

Company related terms

Term	Description
₹/Rs./INR/Rupees/Indian Rupees	The lawful currency of the Republic of India
Articles/ Articles of Association/AoA	Articles of Association of our Company
Assets Liability Management Committee	Assets Liability Management Committee of the Board of Directors
Audit Committee	Audit committee of the Board of Directors
Board/ Board of Directors	Board of Directors of our Company or a duly constituted committee thereof
Bond Issue Committee	The committee constituted and authorised by our Board of Directors to take necessary decisions with respect to the Issue by way of board resolution dated September 27, 2018 and December 04, 2018
Chief Executive Officer	The Chief Executive Officer of our Company, Mr. Pinank Jayant Shah
Corporate Office(s)	One International Centre (*Formerly Indiabulls Finance Centre*), Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013 and Indiabulls House, 448-451, Udyog Vihar, Phase V, Gurugram- 122016
Corporate Social Responsibility Committee	Corporate Social Responsibility Committee of the Board of Directors
Director(s)	Director of our Company, unless otherwise specified
DSA	Direct Selling Agent
DSL	Dhani Services Limited (*formerly Indiabulls Ventures Limited*)
Equity Shares	Equity shares of our Company of face value of ₹ 10 each
Erstwhile Auditors	The erstwhile statutory auditors of our company, Walker Chandiok & Co LLP, Chartered Accountants
Group Companies	Includes such companies, other than Promoter(s), Subsidiary/Subsidiaries, with which there were related party transactions, during the period for which financial information is disclosed in this Prospectus, as covered under the applicable accounting standards and also other companies as considered material by the Board of the Company
IDSL	Indiabulls Distribution Services Limited
IHFL	Indiabulls Housing Finance Limited
IIAL	Indiabulls Investment Advisors Limited
Independent Director	A Non-executive, independent Director as per the Companies Act, 2013 and the SEBI Listing Regulations, who are currently on the Board of our Company
Integrated Risk Management Committee	Integrated Risk Management Committee of the Board of Directors
IT Strategy Committee	IT Strategy Committee of the Board of Directors
Key Managerial Personnel	The Key Managerial Personnel of the Company appointed in accordance with the provisions of SEBI ICDR Regulations and the Companies Act, 2013
Memorandum/ Memorandum of	Memorandum of Association of our Company

Term	Description
Association/ MoA	
Nomination and Remuneration Committee	Nomination and Remuneration Committee of the Board of Directors
Non-Executive Director(s)	Non- executive director of our Company, unless otherwise specified
Promoter	The promoter of our Company, being Dhani Services Limited (*formerly Indiabulls Ventures Limited*)
Promoter Group	Includes the Promoter and entities covered by the definition under regulation 2 of the SEBI ICDR Regulations
Preference Shares	0.001% Compulsorily Convertible Preference Shares of face value of ₹ 10 each
Reformatted Financial Statements	Collectively, the Reformatted Consolidated Financial Information and the Reformatted Standalone Financial Information of our Company as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019.
Reformatted Standalone Financial Statements	The reformatted standalone financial statements of our Company as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019, comprising the reformatted standalone statement of assets and liabilities, the reformatted standalone statement of profit and loss, the reformatted standalone statement of cash flow and the reformatted standalone statement of changes in equity and notes thereto, along with other explanatory information for the years then ended, derived from audited financial statements as at and for the year ended March 31, 2021, March 31, 2020 and March 31, 2019, prepared in accordance with Ind-AS. The audited standalone financial statements as at and for the year ended March 31, 2021, March 31, 2020 and March 31, 2019, 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 June 18, 2021, June 25, 2020 and April 25, 2019, respectively, form the basis for such Reformatted Standalone Financial Information.
Reformatted Consolidated Financial Statements	The reformatted consolidated financial statements of the Group as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019, comprising the reformatted consolidated statement of assets and liabilities, the reformatted consolidated statement of profit and loss, the reformatted consolidated statement of cash flow and the reformatted consolidated statement of changes in equity and notes thereto, along with other explanatory information for the years then ended derived from audited consolidated financial statements as at and for the year ended March 31, 2021, March 31, 2020 and March 31, 2019, prepared in accordance with Ind-AS. The audited consolidated financial statements as at and for the year ended March 31, 2021, March 31, 2020 and March 31, 2019, 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 June 18, 2021, June 25, 2020 and April 25, 2019, respectively, form the basis for such Reformatted Consolidated Financial Information.
Registered Office	M-62 & 63, First Floor, Connaught Place, New Delhi – 110 001, India
RoC	Registrar of Companies, National Capital Territory of Delhi and Haryana
Stakeholders Relationship Committee	Stakeholders Relationship Committee of the Board of Directors
Statutory Auditors/Auditors	The statutory auditors of our Company, being Hem Sandeep & Co., Chartered Accountants
Subsidiaries	The subsidiaries of our Company in terms of Section 2(87) of the Companies Act, 2013, namely, 1. TranServ 2. IIAL 3. IDSL 4. Indiabulls Alternate Investments Limited, as a subsidiary of IDSL
Tax Auditors	The tax auditors of our Company, Ajay Sardana Associates

Term	Description
TranServ	TranServ Limited (*formerly TranServ Private Limited*)
Unaudited Interim Consolidated Financial Statements	The unaudited interim consolidated financial statements for the six-month period ended September 30, 2021 prepared in accordance with Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India.
Unaudited Interim Financial Statements	Collectively, the Unaudited Interim Consolidated Financial Statements and the Unaudited Interim Standalone Financial Statements for the six-month period ended September 30, 2021.
Unaudited Interim Standalone Financial Statements	The unaudited interim standalone financial statements for the six-month period ended September 30, 2021 prepared in accordance with Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India.
Whole-time Director	The whole-time Director on the Board of Directors our Company

Issue related terms

Term	Description
Abridged Prospectus	The memorandum containing the salient features of the Prospectus
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form
Allotment/ Allot/ Allotted	The issue and allotment of the NCDs to successful Applicants pursuant to the Issue
Allotment Advice	The communication sent to the Allottees conveying details of NCDs allotted to the Allottees in accordance with the Basis of Allotment
Allottee(s)	The successful Applicant to whom the NCDs are Allotted, either in full or part, pursuant to the Issue
Applicant/ Investor/ ASBA Applicant	A person who applies for the issuance and Allotment of NCDs pursuant to the terms of the Prospectus and the Application Form
Application	An application to subscribe to the NCDs (whether physical or electronic) offered pursuant to the Issue by submission of a valid Application Form and payment of the Application Amount by any of the modes as prescribed under this Prospectus
Application Amount	The aggregate value of the NCDs applied for as indicated in the Application Form for the Issue
Application Form/ ASBA Form	The form in terms of which the Applicant shall make an offer to subscribe to the NCDs through the ASBA process or through the UPI Mechanism and which will be considered as the Application for Allotment of NCDs in terms of this Prospectus
"ASBA" or "Application Supported by Blocked Amount" or "ASBA Application"	An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to the Issue by submission of a valid Application Form and authorising an SCSB to block the Application Amount in the ASBA Account or to block the Application Amount using the UPI Mechanism, where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by retail individual investors which will be considered as the application for Allotment in terms of this 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 upto ₹ 2,00,000
Banker(s) to the Issue	Collectively, the Public Issue Account Bank, Sponsor Bank and the Refund Bank, i.e., HDFC Bank Limited
Base Issue Size	₹1,500 million
Basis of Allotment	The basis on which NCDs will be allotted to successful applicants under the Issue and which is described in "*Issue Procedure – Basis of Allotment*" on page 290.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, i.e., Designated Branches of SCSB, Specified Locations for Members of the Syndicate, Broker

Term	Description
	Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Broker Centres	Broker Centres notified by the Stock Exchanges where Applicants can submit the ASBA Forms (including ASBA Forms under UPI in case of UPI Investors) to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Trading Members are available on the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com
BSE	BSE Limited
Category I – Institutional Investors / Category I Investors / 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 minimum corpus of ₹ 250 million, and superannuation funds and gratuity funds, which are authorised to invest in the NCDs; • Alternative Investment Funds subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended; • Venture Capital Funds registered with SEBI; • Insurance Companies registered with IRDA; • 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; • 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; • Systemically important non-banking financial companies being non-banking financial companies registered with the Reserve Bank of India and having a net worth of more than ₹ 5,000 million as per its last audited financial statements; and • Mutual Funds registered with SEBI
Category II – Non-Institutional Investors/ Category II Investors / 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; • Public/private charitable/ religious trusts which are authorised to invest in the NCDs; • Scientific and/or industrial research organisations, which are authorized 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 Individuals / Category III Investors / Category III	High Net-worth individuals which include Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10 Lakh across all series of NCDs in Issue
Category IV – Retail Individual Investors/ Category IV Investors / Category IV	Resident Indian individuals or HUFs applying through the Karta, for NCDs for an amount aggregating up to and including ₹10 Lakh, across all series of NCDs in the 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) through UPI Mechanism
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account
Consortium/ Members of the Consortium (each individually, a Member	The Lead Managers and Consortium Members

Term	Description
of the Consortium)	
Consortium Agreement	The agreement dated December 27, 2021 entered into between the Lead Managers, Consortium Members and our Company
Consortium Members	Edelweiss Broking Limited, Trust Financial Consultancy Services Private Limited, and Trust Securities Services Private Limited
CDP/ Collecting Depository Participant	A depository participant, as defined under the Depositories Act, 1996, as amended, and registered under Section 12(1A) of the SEBI Act and who is eligible to procure Applications at the Designated CDP Locations in terms of the SEBI Operational Circular
Coupon/ Interest Rate	As specified in "*Issue Structure*" on page 242.
Credit Rating Agency	For the present Issue, the credit rating agency, being Infomerics Valuation and Rating Private Limited
CRISIL	CRISIL Limited
Debenture Trustee Agreement	The agreement dated December 01, 2021 entered into between the Debenture Trustee and our Company
Debenture Trust Deed	The trust deed to be entered into between the Debenture Trustee and our Company
Debenture Trustee/ Trustee	Debenture Trustee for the NCD Holders in this Issue being Beacon Trusteeship Limited
Deemed Date of Allotment	The date on which the Board of Directors or the Bond Issue Committee approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors or the Bond Issue Committee and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the NCD Holders from the Deemed Date of Allotment
Demographic Details	The details of an Applicant, such as his address, bank account details, UPI ID, Permanent Account Number, Category for printing on refund orders, and occupation which are based on the details provided by the Applicant in the Application Form
Depositories Act	The Depositories Act, 1996, as amended
Depository(ies)	National Securities Depository Limited (NSDL) and /or Central Depository Services (India) Limited (CDSL)
DP / Depository Participant	A depository participant as defined under the Depositories Act
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Applications and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the respective websites of the Stock Exchange (www.bseindia.com and www.nseindia.com) as updated from time to time
Designated Date	The date on which Registrar to the Issue issues instruction to SCSBs for transfer of funds from the ASBA Account to the Public Issue Account(s) or to the Refund Account, as appropriate, in terms of this Prospectus and the Public Issue Account and Sponsor Bank Agreement following which the Board, shall Allot the NCDs to the successful Applicants
Designated Intermediary(ies)	Collectively, the Lead Managers, the Consortium Members, agents, SCSBs, Trading Members, CDPs and RTAs, who are authorised to collect Application Forms from the Applicants in the Issue In relation to ASBA applicants submitted by Retail Individual Investors where the amount was blocked upon acceptance of UPI Mandate Request using the UPI Mechanism, Designated Intermediaries shall mean the CDPs, RTAs, Lead Managers, Consortium Members, Trading Members and Stock Exchange where applications have been submitted through the app/web interface as provided in the SEBI Operational Circular
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms and Application Forms submitted using the UPI

Term	Description
	Mechanism as a payment option (for a maximum amount of ₹ 2,00,000) are available on the website of the Stock Exchanges at https://www.bseindia.com/ and https://www.nseindia.com/, as updated from time to time
Designated Stock Exchange	BSE Limited
Direct Online Application	An online interface enabling direct applications through UPI by an app based/web interface, by investors to a public issue of debt securities with an online payment facility.
Draft Prospectus	The Draft Prospectus dated December 02, 2021, filed by our Company with the Designated Stock Exchange for receiving public comments in accordance with the provisions of the SEBI NCS Regulations and to SEBI for record purpose
Edelweiss	Edelweiss Financial Services Limited
Face Value	As specified in "*Issue Structure*" on page 242
Interest/ Coupon Payment Date	As specified in "*Issue Structure*" on page 242
Infomerics	Infomerics Valuation and Rating Private Limited
Issue	Public issue of NCDs by our Company aggregating up to ₹1,500 million with an option to retain oversubscription up to ₹1,500 million aggregating to ₹3,000 million
Issue Agreement	Agreement dated December 01, 2021 between our Company and the Lead Managers
Issue Closing Date	January 27, 2022
Issue Documents/ Transaction Documents	The Draft Prospectus and this Prospectus, read with any notices, corrigenda, addenda thereto, the Abridged Prospectus, the Issue Agreement, Registrar Agreement, Consortium Agreement, Debenture Trustee Agreement, Public Issue Account and Sponsor Bank Agreement, Tripartite Agreements, Application Form and the Debenture Trust Deed and various other documents, if applicable, and various other documents/ agreements/ undertakings, entered or to be entered by our Company with Lead Managers and/or other intermediaries for the purpose of this Issue. For further details, see "Material Contracts and Documents for Inspection" on page 303.
Issue Opening Date	January 04, 2022
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days during which prospective Applicants may submit their Application Forms
Lead Managers/ LMs	Edelweiss Financial Services Limited and Trust Investment Advisors Private Limited
Market Lot	One NCD
NCDs	Secured redeemable non-convertible debentures of face value of ₹ 1,000 each
NCD Holder/ Debenture Holder(s)/ Bond Holder(s)	Holder of secured redeemable non-convertible debentures of face value of ₹ 1,000 each
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% (sixty percent) by NRIs including overseas trusts, in which not less than 60% (sixty percent) of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 03, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not permitted to invest in the Issue
Offer Document	The Draft Prospectus and this Prospectus
Prospectus	This Prospectus dated December 29, 2021, filed with the RoC in accordance with the SEBI NCS Regulations, containing inter alia the Coupon Rate for the NCDs and certain other information
Public Issue Account	An account opened with the Banker(s) to the Issue to receive monies for allotment of NCDs from the ASBA Accounts on the Designated Date
Public Issue Account Bank	HDFC Bank Limited
Public Issue Account and Sponsor Bank Agreement	The agreement dated December 27, 2021 entered into amongst our Company, the Registrar to the Issue, the Lead Managers, the Public Issue Account Bank, the Sponsor Bank for collection of the Application Amounts from ASBA Accounts under the UPI Mechanism and the Refund Bank for collection of the Application Amounts from ASBA Accounts and where applicable remitting refunds, if any, to such Applicants, on the terms and conditions

Term	Description
	thereof
Record Date	The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 days prior to the date on which interest is due and payable, and/or the date of redemption or such other date as may be determined by the Board of Directors or the Bond Issue Committee from time to time in accordance with the applicable law. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchanges, as the case may be. In case Record Date falls on a day when Stock Exchanges are having a trading holiday, the immediate subsequent trading day will be deemed as the Record Date.
Recovery Expense Fund / REF	Our Company has already created a recovery expense fund in the manner as specified by SEBI in circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 as amended from time to time and Regulation 11 of the SEBI NCS Regulations with the Designated Stock Exchange and informed the Debenture Trustee regarding the creation of such fund. For further details please see *"Terms of the Issue"* on page 248
Redemption Amount	The principal amount of the NCDs along with interest accrued on them, if any, as on the Redemption Date. For further details please see *"Terms of the Issue"* on page 248
Redemption Date	The date on which our Company is liable to redeem the NCDs in full
Refund Account	Account opened with the Refund Bank from which refunds, if any, of the whole or any part of the Application Amount shall be made and as specified in this Prospectus
Refund Bank(s)	HDFC Bank Limited
Register of Debenture Holders	The Register of debenture holders maintained by the Issuer in accordance with the provisions of the Companies Act, 2013
Registered Broker or Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992, as amended and the stock exchanges having nationwide terminals, other than the Members of the Consortium and eligible to procure Applications from Applicants
Registrar to the Issue/ Registrar / RTA / Share Transfer Agent	KFIN Technologies Private Limited (*formerly known as Karvy Fintech Private Limited*)
Registrar Agreement	Agreement dated December 01, 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 the Issue
Security	As specified under *"Terms of the Issue"* on page 248
Series	Collectively the Series of NCDs being offered to the Applicants as stated in the section *"Issue Related Information"* beginning on page 242
Self-Certified Syndicate Banks or SCSBs	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended, and offer services in relation to ASBA and UPI, a list of which is available on http://www.sebi.gov.in/sebi_data/attachdocs/1365051213899.html and https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 for UPI, updated from time to time or at such other website as may be prescribed by SEBI from time to time
Specified Cities/Specified Locations	Bidding Centres at which the Designated Intermediaries shall accept the Application Forms, i.e., Designated Branches of SCSB, Specified Locations for Consortium Members, Broker Centres for Trading Members, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Sponsor Bank	HDFC Bank Limited - 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 mandate collect requests and / or payment instructions of the retail individual investors into the UPI for retail individual investors applying through the app/web interface of the Stock Exchange(s) with a facility to block funds through UPI Mechanism for application value upto ₹ 2,00,000 and carry out any other responsibilities in terms of the SEBI Operational Circular
Stock Exchanges	BSE and NSE
Syndicate or	Collectively, the Consortium Members appointed in relation to the Issue

Term	Description
Members of the Syndicate	
Syndicate ASBA Application Locations	ASBA Applications through the Lead Managers, Consortium Members or the Trading Members of the Stock Exchanges only in the Specified Cities
Syndicate ASBA	Applications through the Members of the Syndicate or the Designated Intermediaries
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a Member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on http://www.sebi.gov.in/sebi_data/attachdocs/1365051213899.html or at such other website as may be prescribed by SEBI from time to time
Tier I capital	For Fiscal 2021: "Tier I Capital" means owned fund as reduced by investment in shares of other non-banking financial companies including housing finance companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund For Fiscal 2019 and 2020: "Tier-I capital" means owned fund as reduced by investment in shares of other housing finance companies and in shares, debenture, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten percent of the owned fund
Tier II capital	For Fiscal 2021 "Tier II Capital" means: (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of 55%; (c) General Provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (d) hybrid debt capital instruments; (e) subordinated debt; to the extent the aggregate does not exceed Tier I capital For Fiscal 2019 and 2020: "Tier II Capital" means: (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of 55%; (c) General Provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (d) hybrid debt capital instruments; (e) subordinated debt; and (f) perpetual debt instruments issued by a systemically important non- deposit taking non-banking financial company which is in excess of what qualifies for Tier I Capital, to the extent the aggregate does not exceed Tier I capital
Tenor	Tenor shall mean the tenor of the NCDs as specified in the Prospectus
Transaction Registration Slip or TRS	The acknowledgement slip or document issued by any of the Designated Intermediary to an Applicant upon demand as proof of registration of the Application Form
Trading Members	Intermediaries registered with a Broker under the SEBI (Stock Brokers) Regulations, 1992 and/or with the Stock Exchange under the applicable byelaws, rules, regulations, guidelines, circulars issued by Stock Exchange from time to time and duly registered with the Stock Exchange for collection and electronic upload of Application Forms on the

Term	Description
	electronic application platform provided by the Stock Exchange
Tripartite Agreements	Tripartite agreement dated April 11, 2018 among our Company, the Registrar and CDSL and tripartite agreement dated May 18, 2017 among our Company, the Registrar and NSDL
"UPI" or "UPI Mechanism"	Unified Payments Interface mechanism in accordance with SEBI Operational Circular, as amended from time to time, to block funds for application value upto ₹ 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" or "Mandate Request"	A request initiated by the Sponsor Bank on the Retail Individual Investor to authorise blocking of funds in the relevant ASBA Account through the UPI mobile app/web interface (using UPI Mechanism) equivalent to the bid amount and subsequent debit of funds in case of allotment
Wilful Defaulter	Includes wilful defaulters as defined under Regulation 2 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
Working Day(s)	Working Day means all days on which commercial banks in Mumbai are open for business. In respect of announcement or bid/issue period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Further, in respect of the time period between the bid/ issue closing date and the listing of the non-convertible securities on the stock exchanges, working day shall mean all trading days of the stock exchanges for non-convertible securities, excluding Saturdays, Sundays and bank holidays, as specified by SEBI.

Conventional and general terms or abbreviation

Term/Abbreviation	Description/ Full Form
AGM	Annual General Meeting
AIF	An alternative investment fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 as amended from time to time
AS	Accounting Standards issued by Institute of Chartered Accountants of India
ASBA	Application Supported by Blocked Amount
AUM	Asset Under Management
CAGR	Compounded Annual Growth Rate and is calculated by dividing the value at the end of the period in question by corresponding value at the beginning of that period, and raiding the result to the power of one divided by the period length, and subtracting one from the subsequent result
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
Companies Act/ Act	The Companies Act, 1956 or the Companies Act 2013, to the extent notified by the Ministry of Corporate Affairs and in force as on the date, as the case may be, as amended and replaced from time to time
Companies Act, 1956	Companies Act, 1956, as amended and as applicable
Companies Act, 2013	The Companies Act, 2013, as amended
CRAR	Capital to Risk-Weighted Assets Ratio
CRPC	Code of Criminal Procedure, 1973, as amended
CSR	Corporate Social Responsibility
ECB	External Commercial Borrowings
ECS	Electronic Clearing Scheme
Depositories Act	Depositories Act, 1996, as amended
Depository(ies)	CDSL and NSDL
DIN	Director Identification Number
DP/ Depository Participant	Depository Participant as defined under the Depositories Act
DRR	Debenture Redemption Reserve
DT Circular	SEBI Circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 03,

Term/Abbreviation	Description/ Full Form
	2020 titled “Creation of Security in issuance of listed debt securities and ‘due diligence’ by debenture trustee(s)”
EGM	Extraordinary General Meeting
FCNR	Foreign Currency Non-Repatriable
FDI	Foreign Direct Investment
FDI Policy	The Government policy, rules and the regulations (including the applicable provisions of the FEMA Non-Debt Rules) issued by the Government of India prevailing on that date in relation to foreign investments in our Company’s sector of business as amended from time to time
FEMA	Foreign Exchange Management Act, 1999, as amended
Financial Year/ Fiscal/ FY	Period of 12 months ended March 31 of that particular year and as at March 31 of that particular year
FIR	First Information Report
GDP	Gross Domestic Product
GoI or Government	Government of India
HNI	High Net worth Individual
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income Tax Act	Income Tax Act, 1961, as amended
Income Tax Rules	Income Tax Rules, 1962, as amended
India	Republic of India
IND AS / Ind AS	Indian accounting standards, as specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015, as amended
Indian GAAP	Generally Accepted Accounting Principles followed in India, including the accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015, as amended
IPC	The Indian Penal Code, 1860, as amended
IRDA	Insurance Regulatory and Development Authority
IT	Information Technology
MCA	Ministry of Corporate Affairs, GoI
MoF	Ministry of Finance, GoI
NACH	National Automated Clearing House
NBFC	Non-Banking Financial Company, as defined under applicable RBI guidelines
NEFT	National Electronic Fund Transfer
Negotiable Instruments Act	Negotiable Instruments Act, 1881, as amended
NPA	Non-Performing Assets
NRI or “Non-Resident”	A person resident outside India, as defined under the FEMA
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit After Tax
PCG	Partial Credit Enhancement Guarantee
QIP	Qualified Institutions Placement
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934, as amended
RTGS	Real Time Gross Settlement
SARFAESI Act	Securitisation & Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended

Term/Abbreviation	Description/ Full Form
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI NCS Regulations	Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021
SEBI Operational Circular	Circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 issued by SEBI
WCDL	Working Capital Demand Loan

Business/ Industry related terms

Term/Abbreviation	Description/ Full Form
Adjusted CRAR	Adjusted capital to risk (weighted) assets ratio (Considering nil risk weightage on mutual fund investments)
ASSOCHAM	The Associated Chambers of Commerce and Industry of India
ALM	Asset Liability Management
CAGR	Compounded Annual Growth Rate
CIBIL	Credit Information Bureau (India) Limited
CRISIL Report	NBFC Report 2021 dated October 2021 issued by CRISIL Limited in Mumbai
ECB	External Commercial Borrowings
ECL	Expected Credit Losses
EMI	Equated monthly instalment
FSI	Floor Space Index
KYC	Know Your Customer
LAP	Loan Against Property
Loan Book/AUM	Aggregate of loan assets on the balance sheet of the Company / Loan book as per Reformatted Financial Statements under IND AS and excludes loan assets sold under direct assignment
LTV	Loan-to-value ratio
Net NPAs	Gross NPAs less provisions for NPAs
PMLA	Prevention of Money Laundering Act, 2002, as amended
ROE	Return on Equity
SCB	Scheduled Commercial Bank
Stage 1 Asset	Stage 1 Assets includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date as defined under IND AS
Stage 1 Provision	Stage 1 provision are 12-month ECL on Stage 1 Assets resulting from default events that are possible within 12 months after the reporting date as defined under IND AS
Stage 2 Asset	Stage 2 Assets includes financial instruments that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment as defined under IND AS
Stage 2 Provision	Stage 2 provision are life time ECL resulting from all default events that are possible over the expected life of the Stage 2 Assets as defined under IND AS
Stage 3 Asset	Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under IND AS
Stage 3 Provision	Stage 3 provision are life time ECL resulting from all default events that are possible over the expected life of the Stage 3 Assets as defined under IND AS
Gross NPAs/GNPAs	Aggregate of receivable from financing business considered as non-performing assets (secured and unsecured which has been shown as part of short term loans and advances and long term loans and advances) and non performing quoted and unquoted credit substitute forming part of stock in trade
UIDAI	Unique Identification Authority of India

Notwithstanding anything contained herein, capitalised terms that have been defined in "*Capital Structure*", "*Regulations and Policies*", "*History and other Corporate Matters*", "*Statement of Tax Benefits*", "*Our Management*", "*Financial Statements",* "*Financial Indebtedness*", "*Outstanding Litigations and Defaults",* "*Issue Procedure*" and "*Main Provisions of the Articles of Association*" on pages 74, 143, 139, 84, 159, 186, 188, 207, 266 and 297 respectively will have the meanings ascribed to them in such sections.

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

Certain Conventions

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

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

Presentation of Financial Information

Our Company's financial year commences on April 01 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular financial year or fiscal are to the 12 month period commencing on April 01 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Unless the context requires otherwise, all references to a year in this Prospectus are to a calendar year and references to a Fiscal/FiscalYear are to the year ended on March 31 of that calendar year.

Our Company publishes its financial statements in Rupees. Our Company's financial statements as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 have been prepared in accordance Ind AS.

The Reformatted Financial Statements and the Unaudited Interim Financial Statements are included in this Prospectus. The reports on the Reformatted Financial Statements and the Unaudited Interim Financial Statements, as issued by the Statutory Auditors, Hem Sandeep and Co., Chartered Accountants, of our Company, are included in this Prospectus in "*Financial Statements*" on page 186.

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

Unless stated otherwise, the financial data for (i) the six-month period ended September 30, 2021 is derived from the six-month Unaudited Interim Financial Statements included in this Prospectus and (ii) the financial years ended on March 31, 2021, March 31, 2020 and March 31, 2019 is derived from the Reformatted Financial Statements included in this Prospectus.

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

Further, the Unaudited Interim Financial Statements for quarter and six-month period ended September 30, 2021, have been reviewed by our Statutory Auditor and they have issued a report dated November 30, 2021 based on their review conducted in accordance with Standard on Review Engagement (SRE) 2410 issued by the ICAI. The Unaudited Interim Financial Statements are not indicative of full year results and are not comparable with annual financial information.

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

Non-GAAP Financial Measures

Net worth, Financial Assets (excluding cash and cash equivalents) and Investments, Non-Financial Assets (excluding property, plant and equipment and other intangible assets), Financial Liabilities (excluding debt securities, borrowing (other then debt securities and subordinated liabilities) and Total Debt/Total Equity (together, "Non-GAAP Financial Measures"), presented in this Prospectus are supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, these non-GAAP measures are not standardised terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies in financial services industry may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance.

Currency and Unit of Presentation

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

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

Industry and Market Data

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

Given that we have compiled, extracted and reproduced data from external sources, including third parties, trade, industry or general publications, we accept responsibility for accurately reproducing such data. However, neither we nor the Lead Managers have independently verified this data and neither we nor the Lead Managers make any representation regarding the accuracy of such data. Similarly, while we believe our internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither we nor the Lead Managers can assure potential investors as to their accuracy.

Exchange Rates

The exchange rates Rupees (₹) vis-a-vis of USD, as of September 30, 2021, March 31, 2021, 2020 and 2019 are provided below:

Currency	September 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
1 USD	74.25	73.50	75.39	69.17

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

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

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

FORWARD-LOOKING STATEMENTS

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

All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, planned projects, revenue and profitability, new business and other matters discussed in this Prospectus that are not historical facts. These forward-looking statements contained in this Prospectus (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others:

- the impact of COVID-19 pandemic on the economy, our business and operations;
- our ability to manage our credit quality;
- interest rates and inflation in India;
- volatility in interest rates for our lending and investment operations as well as the rates at which our Company borrows from banks/financial institution;
- general, political, economic, social and business conditions in Indian and other global markets;
- our ability to successfully implement our strategy, growth and expansion plans;
- competition from our existing as well as new competitors;
- change in the government regulations and/or directions issued by the RBI in connection with NBFCs;
- availability of adequate debt and equity financing at commercially acceptable terms;
- performance of the Indian debt and equity markets;
- our ability to comply with certain specific conditions prescribed by the GoI in relation to our business changes in laws and regulations applicable to companies in India, including foreign exchange control regulations in India; and
- other factors discussed in this Prospectus, including under the chapter "*Risk Factors*" on page 19.

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 in ***"Our Business"*** ***"Industry Overview"*** and ***"Outstanding Litigations and Defaults"*** on pages 113, 99 and 207 respectively.

The forward-looking statements contained in this Prospectus are based on the beliefs of management, as well as the assumptions made by, and information currently available to management. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable as of the date of this Prospectus, our Company cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialise, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

Neither the Lead Managers, our Company, its Directors and its officers, nor any of their respective affiliates or associates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI NCS Regulations, our Company and the Lead Managers will ensure that investors in India are informed of material developments between the date of filing this Prospectus with the RoC, the date of the Allotment and the date of obtaining listing and trading approval for the NCDs.

SECTION II-RISK FACTORS

Prospective investors should carefully consider all the information in this Prospectus, including the risks and uncertainties described below, and under the section "Our Business" on page 113 and under "Financial Statements" on page 186, before making an investment in the NCDs. 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 prospects, results of operations, cash flows and financial condition. The following risk factors are determined on the basis of their materiality. In determining the materiality of risk factors, we have considered risks which may not be material individually but may be material when considered collectively, which may have a qualitative impact though not quantitative, which may not be material at present but may have a material impact in the future. Additional risks, which are currently unknown, if materializes, may in the future have a material adverse effect on our business, financial condition and results of operations. If any of the following or any other risks actually occur, our business prospects, results of operations, cash flows and financial condition could be adversely affected and the price of and the value of your investment in the NCDs could decline and you may lose all or part of your redemption amounts and/ or interest amounts. You should consult your own tax, financial and legal advisors about the particular consequences of an investment in the NCDs.

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed below. However, there are certain risk factors where the effect is not quantifiable and hence has not been disclosed in the below risk factors. The numbering of risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

In this section, unless the context otherwise requires, a reference to "our Company", is a reference to Dhani Loans and Services Limited. Unless otherwise specifically stated in this section, financial information included in this section have been derived from our Reformatted Financial Statements.

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.

Risk Factors Relating to our Company

1. ***Outbreak of the novel coronavirus could have a significant effect on our results of operations and could negatively impact our business, revenues, financial condition and result of operations.***

   The World Health Organization declared the 2019 novel coronavirus ("**COVID-19**") outbreak a Public Health Emergency of International Concern on January 30, 2020, and a pandemic on March 11, 2020. On March 14, 2020, India declared COVID -19 as a "notified disaster" and imposed a nationwide lockdown as announced on March 24, 2020.The rapid outbreak of the COVID-19 pandemic has severely impacted the physical and financial health of the people across the globe and our business could be materially and adversely affected by the outbreak of the present public health epidemics. To prevent the contagion in the country, multiple phases of nationwide lockdown were announced by the Government of India. A slowdown in global economic growth or in economic growth in India (including as a result of the COVID-19 pandemic) could exert downward pressure on the demand for our products and services, which could have an adverse effect on our business, cash flows, financial condition and results of operations. It is anticipated that these impacts will continue for some time. While progressive relaxations have been granted for movement of goods and people within the country, and for cautious re-opening of businesses and offices, nation-wide or regional lockdowns may be re-introduced in the future. Further, while the Government has initiated vaccination drives for COVID-19 in a phased manner across various States, any delay or unfavourable outcome associated with such vaccines may have an adverse impact on the relaxations granted by the Government.

   Amongst various measures announced to mitigate the economic impact from the COVID -19 pandemic, the Reserve Bank of India issued circulars dated March 27, 2020, April 17, 2020 and May 23, 2020 (the "**RBI Circulars**") allowing lending institutions to offer a moratorium to customers on payment of instalments falling due between March 1, 2020 and August 31, 2020. Our Company has reviewed these RBI Circulars and implemented certain policies and procedures in order to implement these measures to its customers. Given that the COVID-19 Pandemic and its impact remain a rapidly dynamic situation, the actual impact on our Company's loans and advances will depend on future developments, 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. While, our Company continue to monitor the developments of the COVID-19 situation closely, assess and respond proactively to minimize any adverse impacts on the financial position, cash flows and operating results of our Company, it is possible that the Company's business, financial condition and results of operations could be adversely affected due to the COVID-19 pandemic. If the COVID-19 situation persists or worsens, it may adversely impact our Company's business and the financial condition. Additionally, on May 05, 2021 the RBI notified the "Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses" (the "**Resolution Framework 2.0**"), providing a window for lenders to implement resolution plans with the objective of alleviating the potential stress to individual borrowers and small businesses.

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

Our Company's business comprises personal, business and other loans; and accordingly, our Company is subject to risks of customer default which includes default or delays in repayment of principal and/or interest on the loans our Company provides to its customers. Additionally, we offer unsecured loans targeted at a wide range of customers that meet our eligibility criteria. Defaults or delays in repayment of loans, particularly unsecured loans, could materially impact our business, financial condition and results of operations. Customers may default on their obligations as a result of various factors, including certain external factors, which may not be within our Company's control such as developments in the Indian economy and the real estate market, movements in global markets, changes in interest rates and changes in regulations. Any negative trends or financial difficulties affecting our Company's customers could increase the risk of their default. Customers could also be adversely affected by factors such as bankruptcy, lack of liquidity, lack of business and operational failure. If customers fail to repay loans in a timely manner or at all, our Company's financial condition and results of operations will be adversely impacted. To the extent our Company is not able to successfully manage the risks associated with lending to these customers, it may become difficult for our Company to make recoveries on these loans. In addition, our Company may experience higher delinquency rates due to prolonged adverse economic conditions or a sharp increase in interest rates. An increase in delinquency rates could result in a reduction in our Company's total revenue from its operations, while increasing costs as a result of the increased expenses required to service and collect delinquent loans, and make loan loss provisions as per applicable regulations. Our Company may also be required to make additional provisions in respect of loans to such customers in accordance with applicable regulations and, in certain cases, may be required to write-off such loans.

Our Company has in the past faced certain instances of customers defaulting and/or failing to repay dues in connection with loans or finance provided by our Company. Our Company had in certain instances initiated legal proceedings to recover the dues from its delinquent customers. For further details in relation to litigations, see *"Outstanding Litigation and Defaults"* on page 207. Customer defaults could also adversely affect our Company's levels of NPAs and provisions made for its NPAs, which could in turn adversely affect our Company's operations, cash flows and profitability. Our Company's gross NPAs as at March 31, 2019, March 31, 2020 and March 31, 2021 was ₹ 841.30 million, ₹ 909.50 million and ₹ 4,270.15 million, respectively. As at March 31, 2021, our gross NPAs as a percentage of our loan book was 10.26%, and as at March 31, 2020, and March 31, 2019, our gross NPAs as a percentage of our loan book was 1.93% and 0.79% respectively. As at March 31, 2021, our net NPAs (which reflect our gross NPAs less provisions for NPAs, except counter-cyclical provision) as a percentage of our loan book was 2.50%, and as at March 31, 2020 and March 31, 2019, our net NPAs (which reflect our gross NPAs less provisions for NPAs, except counter-cyclical provision) as a percentage of our loan book was 0.74% and 0.25%, respectively.

Moreover, as our Company's loan portfolio as per Ind AS matures, our Company may experience increased defaults in principal or interest repayments. Thus, if our Company is not able to control or reduce its level of NPAs, the overall quality of its loan portfolio as per Ind AS may deteriorate and its results of operations may be adversely affected. Our Company's Stage 3 Provision was ₹ 3,311.32 million as at March 31, 2021 and our Company's total provisions for its NPAs was ₹ 563.52 million in Fiscal 2020 and ₹ 578.16 million in Fiscal 2019, and its provisioning coverage ratio (i.e., Stage 3 Assets for which Stage 3 Provision had been created/ gross NPAs for which provisions had been created) was 77.55%, 61.96% and 68.72% , respectively, during these periods, which may not be comparable to that of other similar financial institutions. Moreover, there can be no assurance that there will be no further deterioration in our Company's provisioning coverage ratio or that the percentage of NPAs that our Company will be able to recover will be similar to its past experience in recovering its NPAs. In the event of any further deterioration in the quality of our Company's loan portfolio as per Ind AS, there could be further adverse impact on its results of operations. Defaults for a period of more than 90 days result in such loans being classified as "non-performing". If our Company is unable to effectively monitor credit appraisal, portfolio monitoring and recovery processes and the related deterioration in the credit quality of its loan portfolio as per Ind AS, the proportion of NPAs in its loan portfolio as per Ind AS could increase, which may, in turn, have a material adverse effect on our Company's business, financial condition, results of operation and future financial performance.

Further, the RBI has issued circular RBI/2021-2022/125 titled "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications" dated November 12, 2021 ("**Prudential Norms – Clarifications 2021**"), which provides for more stringent classification and recognition of NPAs. Please note that we are currently evaluating and analysing the impact of the Prudential Norms - Clarifications 2021 on our Company; and in particular the effect on our daily NPA position and upgradation of our NPA accounts. As a result, upon applying the provisions of the Prudential Norms - Clarifications 2021, we cannot assure you that our Company will be able to maintain historic NPA positions, and our NPA position may significantly increase, which may in turn have a material adverse effect on our cash flows, profits, results of operations and financial condition.

3. ***We have recently forayed into new lines of business. We cannot assure you that we will be effective in implementing our strategies for such new lines of business.***

We used to focus on providing unsecured and secured, personal and business loans. On a standalone basis, our loan book has decreased from ₹106,330.06 million as at March 31, 2019 and ₹41,603.77 million as at March 31, 2021. As on September 30, 2021, our loan book on a standalone basis amounted to ₹ 34,555.07 million.

Upon commencement of our digital business operations through our mobile based application, "Dhani", the name of our Company was changed to 'Dhani Loans and Services Limited' and a fresh certificate of incorporation, consequent upon change of name was issued by the RoC on July 7, 2020.

We have since forayed into new lines of business and are now a subscription-based technology company, operating in the transaction finance that is targeted toward a large and underserved population in India, offering them convenient daily transaction capabilities, with credit limits determined by an algorithm, based on their credit history on the digital platform. Our technology platform simply provides subscribers with access to credit, allowing them to carry out financial and payment transactions through the Rupay interface.

We have limited experience in the subscription-based transaction finance business. Further, we have made significant investments in technology to enable us to undertake our transaction financing business. We cannot assure you that we will be able to successfully implement our strategy to focus on our transaction financing business. If we are unable to successfully manage, operate or grow our transaction financing business, our business, results of operations and cash flows will be adversely affected.

4. ***If we are unable to implement or sustain our growth strategy effectively it could adversely affect our business, results of operations and financial condition.***

Our growth exposes us to a wide range of increased risks within India, including business risks, operational risks, fraud risks, regulatory and legal risks and the possibility that the quality of our AUM may decline. Moreover, our ability to sustain our rate of growth depends significantly upon our ability to manage key issues such as selecting and retaining key management personnel, maintaining effective risk management policies, continuing to offer products which are relevant to our target base of clients, developing managerial experience to address emerging challenges and ensuring a high standard of client service. Going forward, we may not have adequate processes and systems such as credit appraisal and risk management to sustain this growth.

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

Our business depends significantly on our marketing initiatives. There can be no assurance in relation to the impact of such initiatives and any failure to achieve the desired results may negatively impact our ability to leverage its brand value. There can also be no assurance that we would be able to continue such initiatives in the future in a similar manner and on commercially viable terms. Furthermore, any adverse publicity, about or loss of reputation of, our Company could negatively impact our results of operations.

If our Company grows its loan book too rapidly or fails to make proper assessments of credit risks associated with new borrowers or new businesses, a higher percentage of the Company's loans may become non-performing, which would have a negative impact on the quality of our Company's assets and its business, prospects, financial condition and results of operations.

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

5. ***Non-renewal of subscriptions by our customers may adversely impact our business, results of operations and financial conditions.***

We have recently forayed into the transaction finance business where we charge a subscription fee to our customers for lending undertaken through our mobile application digitally. As on date, we derive and may continue to derive in future a significant portion of our revenue from renewal of subscriptions by our customers and accordingly non-renewal of subscriptions by our customers may adversely impact our business, results of operations and financial conditions. As at September 30, 2021, we have 1,323,467 customers who are on our One Freedom subscriber plan offers. Failure to retain such customers will result in a decrease in our revenues and could affect our growth strategies, our transaction finance business, our liquidity position which may in turn have a material adverse impact on our business, results of operations and cash flows**.**

6. ***We have incurred losses for the Fiscal 2021 and the six months period ended September 30, 2021. Any losses in the future may have a significant adverse impact on our financial condition.***

We reported a loss in Fiscal 2021 and for the six months ended September 30, 2021 and may incur additional losses in the future. Our consolidated loss for the year was ₹ 1,158.26 million for Fiscal 2021 and consolidated loss is ₹ 3,225.63 million in the six month period ended September 30, 2021. We may incur losses after tax in the future. Our failure to generate profits may adversely affect on our business, results of operations, financial condition and cash flows.

7. ***We have not entered into any formal arrangements with our Promoter for undertaking our business through the Dhani App.***

Our Promoter, Dhani Services Limited, owns and operates the Dhani App through which it provides digital healthcare and digital transaction finance services. While Dhani Services Limited is the holding company that provides the application infrastructure, given that we are an NBFC, all lending activities are undertaken by us. However, we have not entered into any formal arrangement with Dhani Services Limited to undertake the digital transaction finance business through the Dhani App. Accordingly, we may not be able to seek any recourse from Dhani Services Limited if our ability to use the Dhani App is constrained in the future.

8. ***We, our Promoter, and certain of our Directors, Subsidiaries and Group Companies, are involved in certain legal and other proceedings and there can be no assurance that we, our Promoter, our Directors, Subsidiaries or Group Companies will be successful in any of these legal actions. In the event we are unsuccessful in litigating any of the disputes, our business and results of operations may be adversely affected.***

We are involved, from time to time, in legal and regulatory proceedings that are incidental to our operations and these involve proceedings filed by and against our Company. We, our Promoter and certain of our Directors, Subsidiaries and Group Companies are involved in legal and regulatory proceedings which include, criminal proceedings, civil proceedings, arbitration cases, consumer proceedings, labour proceedings and cases filed by us under the Negotiable Instruments Act. These proceedings are pending at different levels of adjudication before various courts, forums, authorities, tribunals and appellate tribunals. A significant degree of judgment is required to assess our exposure in these proceedings and determine the appropriate level of provisions, if any. There can be no assurance on the outcome of the legal proceedings or that the provisions we make will be adequate to cover all losses we may incur in such proceedings, or that our actual liability will be as reflected in any provision that we have made in connection with any such legal proceedings. For a summary of certain material legal proceedings involving our Company, our Promoter and Directors, see "*Outstanding Litigations and Defaults*" on page 207.

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

Consequent to inspection of the books of accounts and other statutory records of our Promoter from Fiscal 2015 to Fiscal 2017 by the Ministry of Corporate Affairs (MCA), our Promoter had earlier received preliminary observation letter dated April 5, 2019 ("**Preliminary Findings Letter**"), which was responded by our Promoter on May 6, 2019 ("**Response to Preliminary Findings Letter**"). Pursuant to the Preliminary Findings Letter and the Response to Preliminary Findings Letter, our Promoter and certain of its key managerial personnel ("**KMPs**") received Show Cause Notices ("**SCNs**") from the Registrar of Companies, National Capital Territory of Delhi & Haryana (RoC) for non-compliance of certain provisions/disclosure requirements, which were on account of clerical omissions of certain disclosures of technical nature. Our Promoter and its KMPs, have filed compounding applications/ petitions in response to the SCNs received from RoC. As on the date of this Prospectus, all such applications / petitions have been adjudicated and/or compounded and the compounding fees / penalties levied have been deposited with MCA by our Promoter and its KMPs.

9. Our inability to maintain relationship with our top 20 customers or any default and non-payment in future or credit losses of our single borrower or group exposure where we have a substantial exposure could materially and adversely affect our business, future financial performance and results of operations.

Our concentration of advances with our top 20 borrowers is 32.48% of our total advances as on March 31, 2021. Our business and results of operations would be adversely affected if we are unable to maintain or further develop relationships with our significant customers. Our business and results of operations would majorly depend upon the timely repayment of the interest and principal from these large borrowers. We cannot assure you that we will not experience any delay in servicing of the loan or that we will be able to recover the interest and the principal amount of the loan. Any such delay or default will adversely affect our income from operation and thereby our profitability. In case we are unable to recover the complete the loan disbursed or any part of thereof, and the collateral is also not sufficient to recover our loan, our financial conditions may be adversely affected. We are dedicated to earning and maintaining the trust and confidence of our customers, and we believe that the good reputation created thereby, and inherent in our brand name, is essential to our business. As such, any damage to our reputation could substantially impair our ability to maintain or grow our business. There can be no assurance that we will be able to maintain the historic levels of business from these customers or that we will be able to replace these customers in case we lose any of them. The loss of any significant customer could have a material adverse effect on our results of operations. Moreover, failure to maintain sufficient credit assessment policies, particularly for small and medium enterprise borrowers, could adversely affect our credit portfolio, which could have a material and adverse effect on our results of operations and/ or financial condition.

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

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

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

Our Company's outstanding borrowings (debt securities, borrowings (other than debt securities), subordinated liabilities and securitisation liabilities) were Rs. 17,583.94 million, as at September 30, 2021. We have entered into agreements with certain banks and financial institutions for short-term and long-term borrowings. Some of our agreements require us to take the consent from our lenders for undertaking various actions, including, for:

- entering into any schemes of mergers, amalgamations, compromise or reconstruction.
- enter into any borrowing arrangement with any bank, financial institution, company or person.
- changing our registered office.
- effecting any change in our ownership or control.
- effecting any change in our capital structure.
- any material changes in our management or business.
- any amendments to our Memorandum or Articles of Association.
- undertaking guarantee obligations on behalf of any third party.
- declare any dividends to our shareholders unless amounts owed to the lenders have been paid or satisfactory provisions made thereof.
- transfer or dispose of any of our undertakings.
- create or permit to subsist any security over any of its assets.
- entering into any agreements whereby our income or profits are or may be shared with any other person.
- revaluing our assets; and
- entering into any long-term contracts that significantly affect us.

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

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

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

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

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

The RBI issued a circular bearing reference no. DoS.CO.ARG/SEC.01/08.91.001/2021-22 on April 27, 2021 which prescribes guidelines for the appointment of the statutory auditor firms for a continuous period of three years. In compliance with the same, the erstwhile auditors of our Company, having completed three years, had to discontinue their assignment and our Company has appointed new Statutory Auditors, and the period of transition for the same, could entail certain operational challenges.

Our Company is also subject to corporate, taxation and other laws in force in India. These regulations are subject to frequent amendments and are dependent on government policy and there can be no assurance that any changes in the laws and regulations relating to the Indian financial services sector will not adversely impact our Company's business and results of operations. As a result of high costs of compliance, our Company's profitability may be affected. Further, if our Company is unable to comply with such regulatory requirements, its business and results of operations may be materially and adversely affected.

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

Inspection by the RBI is a regular exercise and is carried out periodically by the RBI for all NBFCs registered with it under the RBI Act. Our Company, being an NBFC-ND-SI, is subject to periodic inspection by the RBI under the provisions of the RBI Act, 1934 (the "**RBI Act**"), pursuant to which the RBI inspects the books of accounts of our Company and other records for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the RBI or for obtaining any information which our Company may have failed to furnish when being called upon to do so. Any adverse action taken by the RBI pursuant to such inspections, or non-compliance by our Company with the RBI's observations, could materially and adversely affect our Company's business and operations.

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

NBFCs in India are subject to regulations and supervision by the RBI. In addition to the numerous conditions required for the registration as an NBFC with the RBI, our Company is also required to comply with certain other regulatory requirements for its business imposed by the RBI. In the future, there could be circumstances where our Company may be required to renew applicable permits and approvals, including its registration as an NBFC-ND-SI and obtain new permits and approvals for its current and any proposed operations or in the event of a change in applicable law and regulations. There can be no assurance that RBI or other relevant authorities will issue any such permits or approvals in the time-frame anticipated by our Company, or at all. Failure by our Company to renew, maintain or obtain the required permits or approvals may result in an interruption of its operations and may have a material adverse effect on its business, financial condition and results of operation.

In addition, our branches are required to be registered under the relevant shops and establishments laws of the states in which they are located. The shops and establishment laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected. If we fail to comply, or a regulator claims we have not complied, with any of these conditions, our certificate of registration may be suspended or cancelled, and we shall not be able to carry on such activities.

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

Our Company's secured loan book on a standalone basis was ₹ 7,195.83 million, ₹ 11,932.40 million and was ₹49,608.34 million as at March 31, 2021, March 31, 2020 and March 31, 2019, respectively, which represented 17.30%, 25.34% and 46.66%, of the aggregate gross value of our Company's total loan book as at March 31, 2021, March 31, 2020 and March 31, 2019, respectively. Our Company's unsecured loan book on a standalone basis was ₹34,407.94 million, ₹35,160.07 million and ₹ 56,721.72 million as at March 31, 2021, March 31, 2020 and March 31, 2019, respectively, which represented 82.70%, 74.66% and 53.34% of the aggregate gross value of our Company's total loan book as at March 31, 2021, March 31, 2020 and March 2019, respectively. The value of collaterals is dependent on various factors, including (i) prevailing market conditions, (ii) the general economic and political conditions in India, (iii) growth of the stock markets and real estate sector in India and the areas in which our Company operates, and (iv) any change in statutory and/or regulatory requirements.

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

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

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

16. Our Company's business requires substantial capital and any disruption in the sources of its funding or an increase in its average cost of borrowings could have a material adverse effect on its liquidity and financial condition.

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

Out of our Company's debt securities and borrowing other than debt securities, (including secured and unsecured debt) of ₹ 31,585.37 million as at March 31, 2021, an amount of ₹ 19,265.67 million will mature during the current financial year, as per Ind AS. Our Company's debt securities and borrowing other than debt securities (including secured and unsecured debt) was ₹ 47,742.73 million as at March 31, 2020 and total outstanding borrowing (including secured and unsecured debt) ₹ 75,751.72 million as at March 31, 2019. In order to make these payments, our Company will either need to refinance this debt, which may prove to be difficult in the event of volatility in the credit markets, or alternatively, raise equity capital or generate sufficient revenue to retire the debt. There can be no assurance that our Company's business will generate sufficient cash to enable it to service its existing debt or to fund its other liquidity needs.

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

17. ***Instability of global and Indian economies and banking sectors could affect the liquidity of our Company, which could have a material adverse effect on our Company's financial condition.***

The credit markets in India have faced significant volatility, dislocation and liquidity constraints in the recent past. The instability in the Indian credit markets has in the past resulted from significant write downs of asset value of financial institutions including banks (primarily in the public sector), housing finance companies and non-banking financial companies. Additionally, restructuring of assets under the Insolvency and Bankruptcy Code, 2016, as amended, has also not yet resulted in significant recoveries by banks in India, amongst other lenders. Furthermore, there has been extreme volatility in the Indian equity markets and there was a sharp decline in the share prices of Indian finance companies including banks, housing finance companies and non-banking financial companies as a result of the COVID-19 pandemic in March 2020.

There can be no assurance that the current liquidity shortage in the Indian credit systems will materially improve in the near to medium term; and in some cases, at all. Additionally, if our Company were unable to rely on the capital markets as a source of funding, the scale and nature of its operation would be affected. If the measures adopted by the central government in conjunction with the RBI on November 19, 2018, in relation to easing of liquidity constraints, is not implemented or if other sources of short-term funding including funding from the capital markets are not available, at a commercially viable spread or at all, our Company's business, financial condition, results of operations, prospects and solvency, as well as the value of NCDs, could be materially adversely affected.

18. ***Our Company's indebtedness and the conditions and restrictions imposed by its financing arrangements could restrict its ability to conduct its business and operations in the manner our Company desires.***

As at September 30, 2021 and March 31, 2021 our Company on a standalone basis had outstanding secured borrowings (comprising debt securities and borrowing other than debt securities), of ₹ 17,583.94 million and ₹ 31,585.37 million, respectively; and Nil unsecured borrowings (comprising debt securities and borrowings other than debt securities), each as per Ind AS.

Our Company will continue to incur additional indebtedness in the future. Most of our Company's secured borrowings are secured by *pari passu* charge on loan assets, cash and cash equivalents and its business receivables.

Certain of our Company's financing agreements also include certain conditions and covenants that require it to maintain certain financial ratios, maintain certain credit ratings and obtain consents from lenders prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or to obtain these consents could have significant consequences on our Company's business and operations. Under certain of our Company's financing agreements, our Company requires, but may be unable to obtain, consents from the relevant lenders for, among others, the following matters: to declare and/ or pay dividend to any of its shareholders whether equity or preference, during any financial year unless our Company has paid to the lender the dues payable by our Company in that year, to undertake or permit any merger, amalgamation or compromise with its shareholders, creditors or effect any scheme of amalgamation or reconstruction or disposal of whole of the undertaking, to create or permit any charges or lien, or dispose of any encumbered assets, or to amend its Memorandum of Association and Articles of Association. These covenants vary depending on the requirements of the financial institution extending the loan and the conditions negotiated under each financing document. Such covenants may restrict or delay certain actions or initiatives that our Company may propose to take from time to time. For details relating to our Company's borrowings, please see *"Financial Indebtedness"* on page 188.

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

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

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

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

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

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

According to the CRISIL Report, NBFCs logged at a healthy pace of 14% CAGR over fiscals 2016 to 2020. However, their book grew at a slower rate of 6% 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-19, the growth in the loan book slowed down to 4% in fiscal 2021. While first quarter of fiscal 2021, witnessed almost negligible disbursements.

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

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

22. Our Company's inability to implement its growth strategy effectively could adversely affect its business and financial results.

Our Company's growth strategy includes growing our Company's loan book and overall customer base. However, the loan book of our Company decreased by 60.87% from Fiscal 2019 to Fiscal 2021. There can be no assurance that our Company will be able to sustain its growth plan successfully or that our Company will be able to expand further or diversify its portfolio of products. Continuous expansion increases the challenges involved in financial management, recruitment, training and retaining high quality human resources, preserving our Company's culture, values and entrepreneurial environment as well as developing and improving our Company's internal administrative infrastructure. Our Company also faces a number of operational risks in executing its growth strategy.

Our Company's ability to grow also depends, to a large extent, upon its ability to recruit trained and efficient personnel, retain key managerial personnel, maintain effective risk management policies, continue to offer products which are relevant to its target base of clients, develop managerial experience to address emerging challenges and ensure a high standard of client service. Our Company will need to recruit new employees, who will have to be trained and integrated into our Company's operations. Our Company will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train our Company's employees properly may result in an increase in employee attrition rate, a need to hire additional employees, an erosion in the quality of customer service, a diversion of the management's resources, an increase in our Company's exposure to high-risk credit and an increase in costs for our Company. If our Company grows its loan book too rapidly or fails to make proper assessments of credit risks associated with new customers, a higher percentage of our Company's loans may become non-performing, which would have a negative impact on the quality of our Company's assets and its financial condition. Our Company's inability to manage such growth could disrupt its business prospects, impact its financial condition and adversely affect its results of operations.

23. ***Our Company's growth will depend on our Company's continued ability to access funds at competitive rates which is dependent on a number of factors including our Company's ability to maintain its credit ratings. Any further downgrade in our credit ratings may increase interest rates for refinancing our outstanding debt, which would increase our financing costs, and adversely affect our future issuances of debt and our ability to borrow on a competitive basis.***

The cost and availability of capital is also dependent on our short-term and long-term credit ratings. We have obtained a long-term credit rating of "IVR AA/Stable Outlook" from Infomerics for our fund-based facilities. We have also received a rating of BWR AA/Stable from Brickwork Ratings for long term debt instruments/bank facilities & BWR A1+ for short term/ commercial papers. We have a long-term credit rating of "CARE A (CWD)" (under credit watch with developing implications) long-term debt instruments and bank facilities from CARE Ratings. The NCDs have been rated "IVR AA/Stable Outlook" by Infomerics.

As our Company is an NBFC-ND-SI in terms of applicable RBI regulations, its liquidity and ongoing profitability are primarily dependent upon its timely access to, and the costs associated with raising capital. Our Company's business is significantly dependent on funding from the debt capital markets and commercial borrowings. The demand for such funds is competitive and our Company's ability to obtain funds at competitive rates will depend on various factors including our Company's ability to maintain positive credit ratings. Ratings reflect a rating agency's opinion of our Company's financial strength, operating performance, strategic position and ability to meet its obligations. Thus, any further downgrade of our Company's credit ratings would increase borrowing costs and constrain its access to capital and debt markets. A reduction or withdrawal of the ratings may also adversely affect the market price and liquidity of the non-convertible debentures and our Company's ability to access the debt capital markets. As a result, this would negatively affect our Company's net interest margin and its business. In addition, any further downgrade of our Company's credit ratings could increase the possibility of additional terms and conditions being imposed on any additional financing or refinancing arrangements in the future. Any further downgrade of our Company's credit ratings could also accelerate the repayment of certain of our Company's borrowings in accordance with the applicable covenants of its borrowing arrangements. Any such adverse development could adversely affect our Company's business, financial condition and results of operations. Any further downgrade of our credit ratings would increase borrowing costs and constrain our access to capital and lending markets and, as a result, would negatively affect our business. In addition, further downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any new or replacement financing arrangements.

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

24. ***Our Company has reduced its loan book substantially by resorting to direct assignments and securitization transactions.***

As part of our means of raising and/or managing our funds, we assign or securitise a substantial portion of the receivables from our loan portfolio to banks and other institutions. Such assignment or securitisation transactions are conducted on the basis of our internal estimates of our funding requirements, which may vary from time to time. During Fiscal 2021, funds raised by way of direct assignment amounted to ₹ 3,671.10 million and pass through certificates amounted to Nil, aggregating to ₹ 3,671.10 million. Further, as at March 31, 2021, direct assignments outstanding amounted to ₹ 28,209.43 million and pass through certificates amounted to ₹ 4,083.88 million, aggregating to a total of ₹ 32,293.31 million. Any change in statutory and/or regulatory requirements in relation to assignments or securitisations by financial institutions, including the requirements prescribed by RBI and the Government of India, could have an adverse impact on our assignment or securitisation transactions. The commercial viability of assignment and securitization transactions has been significantly affected by changes and developments relating to regulation governing such transactions. Such changes include (a) prohibition on carrying out securitization/ assignment transactions at rates lower than the prescribed base rate of the bank; (b) prohibition on NBFCs such as our Company from offering credit enhancements in any form and liquidity facilities in the case of loan transfers through direct assignment of cash flows; (c) minimum holding period or 'seasoning' and minimum retention requirements of assignment and securitization loans; and (d) securitization/ assignments shall be eligible for classification under priority sector only if the interest rate charged to the ultimate borrower by the originating entity does not exceed base rate of such bank plus 8% per annum.

Any adverse changes in the policy and/or regulations in connection with securitisation of assets by NBFCs and/or new circulars and/or directions issued by the RBI in this regard, affecting NBFCs or the purchasers of assets, would affect the securitisation market in general and our ability to securitise and/or assign our assets.

The aggregate credit enhancement amounts outstanding as of March 31, 2021 was ₹ 2,335.02 million. For such transactions, in the event that a relevant bank or institution does not realise the receivables due under such loan assets, such bank or institution would have recourse to such credit enhancement, which could have a material adverse effect on our results of operations, financial condition and/or cash flows. Further, under some of the assignment and pass-through certificate transactions that we undertake, we provide credit support in the form of corporate guarantees or cash collateral. In the case of any increases in losses on such transactions, such guarantee may be called or the cash collateral may be enforced.

25. Any change in control of our Promoter or our Company or any other factor affecting the business and reputation of our Promoter may have a concurrent adverse effect on our Company's reputation, business and results of operations and may correspondingly adversely affect our goodwill, operations and profitability.

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

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

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

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

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

The RBI by way of its notification no. RBI/2019-20/60/DBR.No.BP.BC.18/21.01.003/2019-20 dated September 12, 2019 further amended the large exposures framework issued on December 1, 2016 ("**Framework**") governing exposures norms and concentration risks concerning banks and NBFCs. The current Framework restricts the banks' exposure to a single NBFC (excluding gold loan companies) to 20% of its eligible capital base, with consideration of more stringent exposure limits set down in respect of certain categories of NBFCs based on risk perception. Furthermore, banks' exposure to a group of connected NBFCs or group of connected counterparties having NBFCs in the group stands restricted to 25% of their tier I capital. This Framework, notwithstanding the percentage increase in previous years, currently limits a bank's exposure to NBFCs which consequently restricts our ability to borrow from banks.

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

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

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

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

A significant portion of our Company's funding requirements is met through short-term and medium-term funding sources such as bank loans, working capital demand loans, cash credit, short term loans and commercial paper. However, a significant portion of our Company's assets (such as loans to its customers) have maturities with longer terms than its borrowings. Our Company may face potential liquidity risks due to varying periods over which our Company's assets and liabilities mature. Moreover, raising long-term borrowings in India has historically been challenging. Our Company's inability to obtain additional credit facilities or renew its existing credit facilities in a timely and cost-effective manner to meet its maturing liabilities, or at all, may lead to gaps and mismatches between its assets and liabilities, which in turn may adversely affect our Company's liquidity position, and in turn, its operations and financial performance.

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

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

In accordance with the RBI guidelines for Assets Liability Management System in NBFC, the maturity pattern of Assets and Liabilities has been estimated based on the behavioural pattern of assets and liabilities on the basis of past data available with the Company.

The following table describes the ALM of our Company as on September 30, 2021:

(₹ in million)

Particulars	**1 to 30/31 days (one month)**	**Over 1 month to 2 months**	**Over 2 months to 3 months**	**Over 3 months to 6 months**	**Over 6 months to 1 year**	**Over 1 year to 3 years**	**Over 3 to 5 years**	**Over 5 years**	**Total**
Deposits	-	-	-	-	-	-	-	-	**-**
Advances	1,252.77	1,237.38	1,218.71	3,544.12	8,506.81	14,252.73	3,402.72	612.00	**34,027.24**
Investments	2,399.64	-	-	-	999.98	-	1,750.00	9,312.95	**14,462.57**
Foreign Currency assets	-	-	-	-	-	-	-	-	**-**

Particulars	1 to 30/31 days (one month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 years	Total
Borrowings (including liabilities against securitized assets)	274.97	208.57	586.33	1,808.43	9,472.17	4,734.80	498.66	-	**17,583.93**
Foreign Currency liabilities	-	-	-	-	-	-	-	-	**-**

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

Our Company's loan book, as on March 31, 2021, includes secured and unsecured loans which constitutes 17.30% and 82.70%, respectively, of our Company's loan book. Since these loans are unsecured, in the event of defaults by such customers, our Company's ability to realise the amounts due to it from the loans would be restricted to initiating legal proceedings for recovery as our Company will not have the benefit of enforcing any security interest. There can be no guarantee as to the length of time it could take to conclude such legal proceedings or for the legal proceedings to result in a favourable decision for our Company. Furthermore, our Company's structured collateralised credit products generally do not contain restrictions on the purpose for which the loans are given. As a result, its customer may utilise such loans for various purposes which are often incapable of being monitored on a regular basis, or at all.

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

Our Company's capital adequacy ratio computed on the basis of the applicable RBI norms was 58.24%, 58.92% and 37.70%, as at March 31, 2021, March 31, 2020 and March 31, 2019, respectively, with Tier I Capital comprising 58.24%, 52.66% and 37.12%, as at March 31, 2021, March 31, 2020 and March 31, 2019, respectively. The Tier II Capital comprises of 0.00%, 6.27% and 0.58% as at March 31, 2021, March 31, 2020 and March 31, 2019. If our Company continues to grow its loan portfolio and asset base, it will be required to raise additional Tier I and Tier II Capital in order to continue to meet applicable capital adequacy ratios with respect to its business. There can be no assurance that our Company will be able to raise adequate additional capital in the future on terms favourable to our Company, in a timely manner, or at all and this may adversely affect the growth of our Company's business.

31. Our Company's obligation to employees' defined benefit plan is not limited to the amount that it agrees to contribute to the fund as the liability of gratuity is recognized on the basis of actuarial valuation.

Our Company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of the Payment of Gratuity Act, 1972. The liability of gratuity is recognized on the basis of actuarial valuation. The liability of the plan will increase with actual salary increases of employees as it will increase the rate assumption in future valuations. Reduction in discount rate in subsequent valuations can also increase the plan's liability. If the plan is funded, then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability. Actual deaths & disability cases proving lower or higher than assumed in the valuation and actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

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

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

33. The new bankruptcy code in India may affect our rights to recover loans from borrowers.

The Insolvency and Bankruptcy Code, 2016, as amended from time to time ("**Bankruptcy Code**") was notified on August 05, 2016. The Bankruptcy Code offers a uniform and comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial firms). It allows creditors to assess the viability of a debtor as a business decision and agree upon a plan for its revival or a speedy liquidation. The Bankruptcy Code creates a new institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms, which will facilitate a formal and time-bound insolvency resolution and liquidation process.

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

In case a liquidation process is opted for, the Bankruptcy Code provides for a fixed order of priority in which proceeds from the sale of the debtor's assets are to be distributed. Before sale proceeds are distributed to a secured creditor, they are to be distributed for the costs of the insolvency resolution and liquidation processes, debts owed to workmen and other employees, and debts owed to unsecured credits. Further, under this process, dues owed to the Central and State Governments rank at par with those owed to secured creditors. Moreover, other secured creditors may decide to opt out of the process, in which case they are permitted to realise their security interests in priority.

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

Further, the GoI vide notification dated March 24, 2020 ("**Notification**") has amended section 4 of the Bankruptcy Code due the lingering impact of the COVID-19 pandemic. Pursuant to the said Notification, Government has increased the minimum amount of default under the insolvency matters from ₹1,00,000 to ₹1,00,00,000. Therefore, the ability of our Company to initiate insolvency proceedings against the defaulters where the amount of default in an insolvency matter is less the ₹1,00,00,000 may impact the recovery of outstanding loans and profitability of our Company.

34. Our Company's success depends, to a large extent, upon its management team and key personnel and its ability to attract, train and retain such persons. Our Company's inability to attract and retain talented professionals or the loss of key management personnel may have an adverse impact on its business and future financial performance.

Our Company's ability to sustain the rate of growth depends significantly on selecting and retaining key managerial personnel, developing managerial experience to address emerging challenges and ensuring a high standard of client service. Our Company faces a continuing challenge to recruit, adequately compensate and retain a sufficient number of suitably skilled personnel, knowledgeable in sectors to which it lends. There is significant competition in India for such personnel, which has increased in recent years as a significant number of banks, NBFCs have recently commenced operations. If our Company is unable to hire additional qualified personnel or to retain them, our Company's ability to expand its business may be impaired. Our Company will need to recruit new employees who will have to be trained and integrated within our Company's operations. In addition, our Company will have to train existing employees to adhere to internal controls and risk management procedures. Failure to train and motivate its employees properly may result in an increase in employee attrition rate, a requirement to hire additional employees, an erosion of the quality of customer service, a diversion in the management's resources, an increase in its exposure to high-risk credit and an increase in costs for our Company. Hiring and retaining qualified and skilled managers are critical to our Company's future as its business model depends on its credit-appraisal and asset valuation mechanism which are personnel-driven. Moreover, competition for experienced employees can be intense, and has intensified in the recent financial periods. While our Company has an incentive structure, our Company's inability to attract and retain talented professionals or the loss of key management personnel may have an adverse impact on our Company's business and future financial performance.

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

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

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

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

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

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

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

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

Our Company maintains insurance coverage that our Company believes is adequate for its operations. Our Company's insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. However, our Company cannot assure you that the terms of its insurance policies will be adequate to cover any damage or loss suffered by our Company or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. Any successful assertion of one or more large claims against our Company that exceeds our Company's available insurance coverage or changes in our Company's insurance policies, including any increase in premium or any imposition of larger deductibles or co-insurance requirements could adversely affect our Company's business, financial condition and results of operations.

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

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

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

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

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

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

40. 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 – Liability Management*" and "*Our Business – Risk Management*" on pages 133 and 134 respectively. Despite this, our policies and procedures to identify, monitor and manage risks of fraud, money laundering, any other credit, operational or other risks may not be fully effective. Further, some of our methods of managing risks are based upon the use of observed historical market behaviour. As a result, these methods may not accurately predict future risk exposures, which could be significantly greater than those indicated by the historical measures. To the extent any of the instruments and strategies we use to hedge or otherwise manage our exposure to market or credit risk are not effective, we may not be able to mitigate effectively our risk exposures in particular market environments or against particular types of risk.

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

To the extent our assessments, assumptions or estimates prove inaccurate or not predictive of actual results, we could suffer higher than anticipated losses. See "- *High levels of customer defaults and the resultant non-performing assets could adversely affect our Company's business, financial condition, results of operations and future financial performance*" on page 20.

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

Our Company's business is dependent on the key personnel and employees who directly manage client relationships. Our Company encourages dedicated personnel to service specific clients since our Company believes that this leads to long-term client relationships, a trust-based business environment and over time, better cross-selling opportunities. While no key personnel or employees contribute a significant percentage of the business, the business may suffer materially if a substantial number of them either becomes ineffective or leaves the organisation. As a result, there may be an adverse effect on our Company's business and profits.

Currently, none of our Company's employees are members of any labour union. 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. Significant fraud, system failure or calamities could adversely impact our Company's business.

Our Company seeks to protect its computer systems and network infrastructure from physical break-ins as well as fraud and system failures. Computer break-ins and power and communication disruptions could affect the security of information stored in and transmitted through our Company's computer systems and network infrastructure. Our Company employs security systems, including firewalls and password encryption, designed to minimise the risk of security breaches. Although our Company intends to continue to implement security technology and establish operational procedures to prevent fraud, break-ins, damage and failures, there can be no assurance that these security measures will be adequate. A significant failure of security measures or operational procedures could have a material adverse effect on our Company's business and its future financial performance. Although our Company takes adequate measures to safeguard against system-related and other frauds, there can be no assurance that it would be able to prevent frauds. Furthermore, our Company is exposed to many types of operational risks, including the risk of fraud or other misconduct by its employees and unauthorised transactions by its employees. Our Company's reputation may be adversely affected by significant frauds committed by its employees, customers or outsiders.

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

In deciding whether to extend credit or enter into other transactions with customers and counterparties, our Company may rely on information furnished to it by or on behalf of customers and counterparties, including financial statements and other financial information. Our Company may also rely on certain representations in relation to the accuracy and completeness of that information as well as independent valuation reports and title reports with respect to the collateral. In addition, our Company may rely on reports of the independent auditors in relation to the financial statements. For example, in deciding whether to extend credit, our Company may assume that a customer's audited financial statements conform to GAAP and the financial condition, results of operations and cash flows of the customer are presented fairly in all material respects. Our Company's financial condition and results of operations may be adversely affected by relying on financial statements that do not comply with GAAP or other information that may be materially misleading. Moreover, our Company has implemented Know Your Customer ("**KYC**") checklist and other measures to prevent money laundering. There can be no assurance that information furnished to our Company by potential customers and any analysis of such information, or the independent checks and searches will return accurate results, and our Company's reliance on such information may affect its judgement of the potential customers' credit worthiness, as well as the value of and title to the collateral, which may result in our Company having to bear the risk of loss associated with such misrepresentations. In the event of the ineffectiveness of these systems, our Company's reputation, business and results of operations may be adversely affected.

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

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

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

45. Our Company may experience difficulties in expanding its business into new regions and markets in India and introducing its complete range of products.

Our Company continues to evaluate attractive growth opportunities to expand its business into new regions and markets in India. Factors such as competition, culture, regulatory regimes, business practices and customs and customer requirements in these new markets may differ from those in our Company's current markets and our Company 's experience in its current markets may not be applicable to these new markets. In addition, as our Company enters new markets and geographical regions, our Company is likely to compete with other banks and financial institutions that already have a presence in those jurisdictions and markets. As these banks and financial institutions are more familiar with local regulations, business practices and customs, they may have developed stronger relationships with customers.

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

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

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

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

Our Company has entered into related party transactions, within the meaning of AS 18 as issued by the Companies (Accounting Standards) Rules, 2006 and Ind AS 24 as issued by the Companies (Indian Accounting Standards) Rules, 2015. Such transactions may give rise to current or potential conflicts of interest with respect to dealings between our Company and such related parties. While our Company believes that all related party transactions entered into are conducted on an arms' length basis and in the ordinary course of business, there can be no assurance that it could not have achieved more favourable terms if such transactions had not been entered into with related parties. Additionally, there can be no assurance that any dispute that may arise between our Company and related parties will be resolved in our Company's favour. For further details on the emphasis of matter, see the section "*Financial Statements*", on page 186.

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

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

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

Our Company has obtained registrations for its trademarks, which include , , , , and for the mobile application-based lending business. However, we may not be able to prohibit the use of our intellectual property by any third party and may, in the future, face claims and legal actions by third parties that may use, or dispute our right to use, the logos and brand names under which our business currently operates. We may be required to resort to legal action to protect our logos and brand names. Any adverse outcome in such legal proceedings may impact our ability to use our logos, brand names and other intellectual property in the manner in which such intellectual property is currently used or at all, which can have a material adverse effect on our business and our financial condition. Further, we do not own the trademark for the logo as appearing in this Prospectus. We have made applications for the same. However, our efforts to protect our intellectual property may not be adequate. As a result, we may be exposed to risks associated with intellectual property infringement and misappropriation claims by third parties.

50. ***This Prospectus includes certain unaudited interim financial statements, which has been subject to limited review, in relation to our Company. Reliance on such information should, accordingly, be limited.***

This Prospectus includes certain unaudited interim financial statements in relation to our Company for the quarter and six month period ended September 30, 2021, in respect of which the Statutory Auditor of our Company have issued their limited review report dated November 30, 2021. As this financial information has been subject only to limited review and not to an audit, any reliance by prospective investors on the unaudited interim financial statements as at and for the six months period ended September 30, 2021 should, accordingly, be limited.

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

The information in the section titled "*Industry Overview*" of this Prospectus has been derived from the report provided by CRISIL titled "NBFC Report 2021" dated October 2021 provided by CRISIL Limited (the "**Report**"). While our Company has taken reasonable care to ensure that the facts and statistics presented are accurately reproduced from such sources, they have not been independently verified by our Company, the Lead Managers or their respective advisors and, therefore, they make no representation as to the accuracy of such facts and statistics, which may not be consistent with other information compiled within or outside India. Due to possibly flawed or ineffective calculation and collection methods and other problems, the facts and statistics in this Prospectus may be inaccurate or may not be comparable to facts and statistics produced for other economies and should not be unduly relied upon. Further, there can be no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere.

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

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

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

According to extant guidelines from the RBI, an NBFC is not permitted to recognise income if the amount due in respect of a loan has not been paid by the borrower for 90 days or more and such amount is considered an NPA. However, under section 43D read with rule 6EB of the Income Tax Rules, the definition of an NPA under the Income Tax Act is different from that provided by extant guidelines of the RBI in force at present.

While we have been following the guidelines of the RBI on income recognition, if the interpretation of the income tax department is different from ours, we may be required to bear additional tax liabilities for previous assessment years, as well as an increased tax liability in the future as a result of our income being recognised by the income tax department at a higher level than the income offered for taxation under the guidelines set out by the RBI.

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

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

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

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

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

56. Certain of our Subsidiaries have incurred losses in the recent past.

Certain of our Subsidiaries has incurred a loss during the financial year ended March 31, 2021. While our Company has distributable profits for the year ended March 31, 2021, upon consolidation, and on account of the losses incurred by certain of our Subsidiaries, our Company incurred a loss after tax of ₹ 1,158.26 million during the financial year ended March 31, 2021. There can be no assurance that any of our Subsidiary will not incur losses in future periods or that there will not be an adverse effect on our Company's reputation or business as a result of such losses

57. Certain of our Subsidiaries are involved in similar lines of business which may result in conflicts of interest.

As on the date of this Prospectus, certain of our Subsidiaries, namely, Indiabulls Investment Advisors Limited and Indiabulls Distribution Services Limited, are involved in similar lines of business as each other, which involves marketing of non-discretionary wealth management products.

While we believe that there is presently no conflict, there is no assurance that our Subsidiaries will not provide competitive services or otherwise compete in business lines in which another company in our group is already involved. Such factors may have an adverse effect on the results of our operations and financial condition.

58. The Statutory Auditors' examination reports on the Reformatted Financial Statements and Unaudited Interim Financial Statements contain certain emphasis of matter.

The Statutory Auditors' limited review reports on the Unaudited Interim Financial Information contain certain emphasis of matter pertaining to the effects of the COVID-19 pandemic outbreak on our operations that are dependent on future developments, and the impact thereof on the impairment assessment of financial assets outstanding as at March 31, 2021 and September 30, 2021:

1. The review report dated November 30, 2021 on the unaudited interim standalone financial results information for the quarter and six months ended September 30, 2021 contained an Emphasis of Matter paragraph as follows:

"We draw attention to Note 7 to the Statement, which describes the effects of uncertainties relating to the COVID – 19 pandemic outbreak on the Company's operations, that are dependent upon future developments, and the impact thereof on the Company's estimates of impairment of loans to customers outstanding as at September 30, 2021 and that such estimates may be affected by the severity and duration of the pandemic and the actual credit loss could be different than that estimated as of the date of the Statement."

2. The review report dated November 30, 2021 on the unaudited interim consolidated financial information for the six months ended September 30, 2021 contained an Emphasis of Matter paragraph as follows:

"We draw attention to Note 5 to the Statement, which describes the effects of uncertainties relating to the COVID – 19 pandemic outbreak on the Group's operations, that are dependent upon future developments, and the consequential impact thereof on the impairment assessment of financial assets outstanding as at September 30, 2021."

3. The Erstwhile Auditor's report dated June 18, 2021, on the Previous Audited Standalone Financial Statements and the Previous Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2021, was unmodified and contained Emphasis of Matter paragraph as follows:

Previous Audited Standalone Financial Statements as of and for the year ended 31 March 2021:

"We draw attention to note 51 to the accompanying standalone financial statements, which describes the uncertainties relating to COVID-19 pandemic on the Company's operation that are dependent on the future developments and the management's evaluation of the impact on the impairment assessment of financial assets outstanding as at 31 March 2021."

Previous Audited Consolidated Financial Statements as of and for the year ended 31 March 2021:

"We draw attention to Note 57 to the accompanying consolidated financial statements, which describes the uncertainties relating to COVID-19 pandemic on the Group's operation that are dependent on future developments and the management's evaluation of the impact on the impairment assessment of financial assets outstanding as at 31 March 2021."

4. The Erstwhile Auditor's report dated June 25, 2020 on the Previous Audited Standalone Financial Statements and the Previous Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020 was unmodified and contained Emphasis of Matter paragraph as follows:

Previous Audited Standalone Financial Statements as of and for the year ended 31 March 2020:

Emphasis of matter

"We draw attention to Note 55 to the accompanying standalone financial statements, which describes the uncertainties relating to the effects of COVID-19 pandemic outbreak on the Company's operations that are dependent on future developments, and the impact thereof on the impairment assessment of financial assets outstanding as at 31 March 2020."

Previous Audited Consolidated Financial Statements as of and for the year ended 31 March 2020:

Emphasis of matter

"We draw attention to Note 58 to the accompanying consolidated financial statements, which describes the uncertainties relating to COVID-19 pandemic on the Group's operation that are dependent on future developments and the the impact thereof on the impairment assessment of financial assets outstanding as at 31 March 2020."

For further details on the emphasis of matter, see the section "*Financial Statements*", on page 186.

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

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

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

A. External Risks

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

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

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

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

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, salaries, and other expenses relevant to our business.

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 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 increase the amount of commission to 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.

Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

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

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

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

On March 4, 2011, the Government of India notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 01, 2011. The combination regulation provisions require that acquisition of shares, voting rights, assets or control or mergers or amalgamations which cross the prescribed asset and turnover based thresholds shall be mandatorily notified to and pre-approved by the CCI. In addition, on May 11, 2011, the CCI issued the final Competition Commission of India (procedure in regard to the transaction of business relating to combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the combination regulation provisions under the Competition Act.

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

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

Tax and other levies including stamp duty imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, goods and service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. The statutory corporate income tax in India, which includes a surcharge on the tax and an education and health cess on the tax and the surcharge, is currently up to 25.17%. The central or state government may in the future increase the corporate income tax it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business and results of operations.

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

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

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

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

We are exposed to the risks of the Indian financial system which may be affected by the financial difficulties faced by certain Indian financial institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. This risk, which is sometimes referred to as "systemic risk", may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges with whom we interact on a daily basis. Any such difficulties or instability of the Indian financial system in general could create an adverse market perception about Indian financial institutions and banks and adversely affect our business, results of operations and financial condition. As the Indian financial system operates within an emerging market, it faces risks of a nature and extent not typically faced in more developed economies, including the risk of deposit runs notwithstanding the existence of a national deposit insurance scheme.

7. ***Financial instability in other countries could disrupt our business***.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries. Although economic conditions are different in each country, investors' reactions to developments in one country may have adverse effects on the economy as a whole, in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause volatility in Indian financial markets and indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India. In the event that the current difficult conditions in the global credit markets continue or if the recovery is slower than expected or if there any significant financial disruption, this could have an adverse effect on our cost of funding, loan portfolio, business, prospects, results of operations and financial condition.

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

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

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

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

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

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

11. ***An outbreak of an infectious disease or any other serious public health concerns in India or elsewhere could adversely affect our business.***

The outbreak of an infectious disease in India or elsewhere or any other serious public health concern could have a negative impact on the global economy, financial markets and business activities worldwide, which could adversely affect our business. Although, we have not been adversely affected by such outbreaks in the past, we can give you no assurance that a future outbreak of an infectious disease or any other serious public health concern will not have a material adverse effect on our business.

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

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

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

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

B. Risks pertaining to this Issue

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

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

2. ***Changes in interest rates may affect the price of our NCDs.***

All securities where a fixed rate of interest is offered, such as our NCDs, are subject to price risk issue. 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 tend to fall and when interest rates drop, the prices tend to 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.

3. ***You 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.***

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 including, among others, 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 minimum 100.00% asset cover on the outstanding amount of the NCDs, and it will be the duty of the Debenture Trustee to monitor that the security is maintained, however, the realisable value of the assets charged as security, when liquidated, may be lower than the outstanding principal and/or interest accrued thereon in connection with the NCDs and shall depend on the market scenario prevalent at the time of the enforcement of the security. A failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose you to a potential loss.

4. ***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 Indian 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 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.

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

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

6. ***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 125% asset cover for the outstanding amount of the NCDs and interest thereon, upon our Company's bankruptcy, winding-up or liquidation, the other lenders and debenture trustees will rank pari passu with the NCD Holders and to that extent, may reduce the amounts recoverable by the NCD Holders.

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

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.

8. ***You may be subject to taxes arising on the sale of the NCDs.***

Sales of NCDs by any holder may give rise to tax liability, as discussed in "*Statement of Tax Benefits*" on page 84.

9. ***There may be no active market for the non-convertible debentures on the WDM segment of the stock exchange. As a result, the liquidity and market prices of the non-convertible debentures may fail to develop and may accordingly be adversely affected.***

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

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

We intend to use the proceeds of the Issue, after meeting the expenditures of and related to the Issue, for the purpose of onward lending, financing, and for repayment of interest and principal of existing borrowings of the Company. For further details, see "*Objects of the Issue*" on page 80. The fund requirement and deployment are 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. Further, as per the provisions of the SEBI NCS Regulations, we are not required to appoint a monitoring agency and therefore no monitoring agency has been appointed for the Issue.

11. ***There may be a delay in making refund to Applicants.***

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

12. ***The Issuer, being a listed company is not required to maintain debenture redemption reserve ("DRR")***.

Our NCDs are 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, a listed company is not required to maintain DRR for debentures issued through a public issue. Hence, investors shall not have the benefit of reserve funds to cover the re-payment of the principal and interest on the NCDs

SECTION III-INTRODUCTION

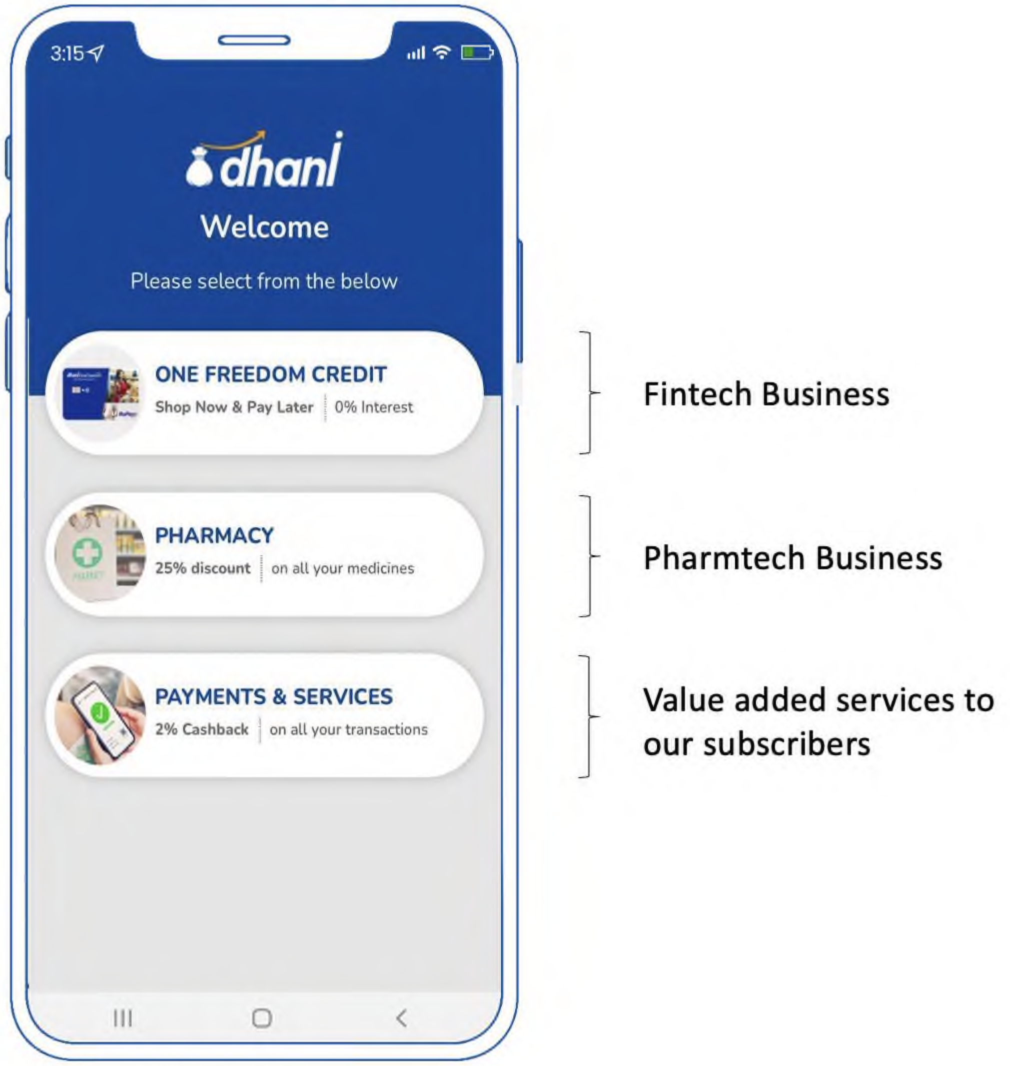
SUMMARY OF BUSINESS

Our Company is a non-deposit taking systemically important NBFC registered with the RBI and a 100% subsidiary of Dhani Services Limited (formerly Indiabulls Ventures Limited), a listed Indian company.

We provide transaction finance to our customers through an array of product offerings on the Dhani App and also provide personal loans, secured and unsecured business loans to individual and corporates.

We are part of the Dhani group. Our Promoter, Dhani Services Limited (formerly Indiabulls Ventures Limited) is a consumer business that provides digital healthcare and digital transactional finance to its customers. Dhani Services Limited (formerly Indiabulls Ventures Limited) was incorporated in 1995.

Dhani Services Limited is a consumer business that operates its mobile application "Dhani" ("**Dhani App**") through which it provides digital healthcare and digital transactional finance to its' customers. Growing from a personal finance business to now offering a range of products across both healthcare and financial services, we believe that Dhani Services Limited has continually prioritized the need to design offerings made for current market environment while continuously analysing the need for new products as the market evolves. Set out below is an image representing the services offered by Dhani Services Limited through the Dhani App.



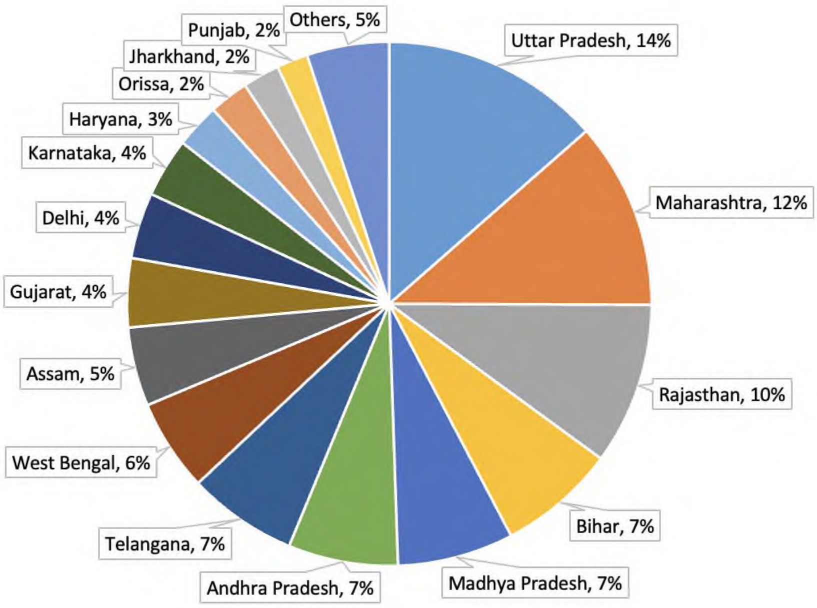
While Dhani Healthcare Limited, a subsidiary of Dhani Services Limited, undertakes the digital healthcare business for Dhani Services Limited, the digital transaction finance business is undertaken by us.

On the financial services front, customers can use the Dhani App to choose from a suite of products to help manage their financial needs on a daily basis. This includes managing all payments through the "Dhani Card" or "Dhani Wallet"; and access to personal finance through "Dhani Credit Line", for securing our customers and their families with personal and medical insurance, and for stock broking solutions.

Dhani OneFreedom Card

We believe that our Dhani OneFreedom Card is useful for customers as it is issued instantly upon application and serves as a convenient method to undertake everyday transactions, particularly for customers who may not have credit cards. We provide both digital and physical cards which are currently accepted by over 10 million merchants.

A state-wise classification of the subscribers to the Dhani OneFreedom Card has been set out below.



As at September 30, 2021, we had approximately 1.32 million subscribers to the Dhani OneFreedom Card in over 900 cities and towns across India.

A chart representing the number of subscribers to the Dhani OneFreedom Card has been set out below:

The healthcare services on the Dhani App are undertaken by Dhani Healthcare Limited, a subsidiary of Dhani Services Limited, wherein customers are provided with access to doctors over instant video calls through "Dhani Doctor". "Dhani Doctor" is supplemented with "Dhani Medicines", which is aimed at delivering medicines to customers at their door-step.

As at September 30, 2021, our Company has 133 branches and has disbursed loans to customers in over 900 cities in India through the Dhani App, enabling us to operate on a pan-India basis. Further, our Company has over 14,000 employees as at September 30, 2021.

We are a subscription-based technology company, operating in the transaction finance that is targeted toward a large and underserved population in India, offering them convenient daily transaction capabilities, with credit limits determined by an algorithm, based on their credit history on the digital platform. Our technology platform simply provides subscribers with access to credit, allowing them to carry out financial and payment transactions through the Rupay interface.

We believe, the Company is adequately capitalized and will continue operating with a focus to increase its customer franchise and at the same time operate at conservative gearing levels.

We have obtained a long-term credit rating of "IVR AA : Stable Outlook" from Infomerics for our bank facilities. These ratings signify a high degree of safety, regarding timely servicing of financial obligations and low credit risk. We have also received a rating of BWR AA/Stable from Brickwork Ratings for long term debt instruments/bank facilities & BWR A1+ for short term/ commercial papers. We have a long-term credit rating of "CARE A (CWD)" (under credit watch with developing implications) long-term debt instruments and bank facilities from CARE Ratings.

On a standalone basis, the loan book was ₹ 106,330.06 million as at March 31, 2019 and ₹ 41,603.77 million as at March 31, 2021. As on September 30, 2021 our loan book on a standalone basis amounted to ₹ 34,555.07 million.

We believe, the Company is adequately capitalized and will continue operating with a focus to increase its customer franchise and at the same time operate at conservative gearing levels.

Our borrowings on a standalone basis, as at September 30, 2021 and March 31, 2021 amounted to ₹ 17,583.94 million and ₹ 31,585.37 million, respectively. We rely on long-term and medium-term borrowings from banks; amongst others, including issuances of non-convertible debentures. We have a diversified lender base comprising public sector undertakings ("**PSUs**"), private banks, mutual funds, provident funds and others. We also sell down parts of our portfolios through securitization and/or direct assignment of loan receivables to various banks or mutual funds.

As at March 31, 2021, our gross NPAs as a percentage of our loan book was 10.26%, and our net NPAs as a percentage of our loan book was 2.50%. As of September 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019, our capital to risk (weighted) assets ratio was 61.79.%, 58.24%, 58.92% and 37.70%, respectively.

Our consolidated revenue from operations decreased from ₹ 17,679.82 million in Fiscal 2019 to ₹ 11,491.44 million in the Fiscal 2021 at a CAGR of (19.38) %. We incurred a loss after tax of ₹ 1158.26 million in Fiscal 2021 as compared to a loss after tax of ₹ 374.27 million in the Fiscal 2020 and a profit after tax of ₹ 3,845.16 million in Fiscal 2019. For the six month period ending September 30, 2021, our total income was ₹ 3,837.22 million and our loss after tax for the period was ₹ 3,225.63 million

Our key operating and financial metrics (on a consolidated basis) as at March 31, 2021, 2020 and 2019 are as follows:

Parameters	(₹ in million unless otherwise stated) As at and for the year ended March 31,		
	2019	**2020**	**2021**
Balance Sheet			
Property, plant and equipment and other intangible assets	932.64	1,686.71	1,427.25
Investments	5,854.69	5,875.40	13,810.47
Cash and cash equivalents	9,496.89	19,909.14	10,140.84
Financial assets (excluding Cash and cash equivalents and Investments) [(1)]	119,204.07	62,341.66	49,736.94
Non-financial assets (excluding Property, plant and equipment and other intangible assets) [(2)]	2,519.11	7,468.86	7,992.07
Total Assets	**138,007.40**	**97,281.77**	**83,107.57**
Debt Securities	17,389.62	8,042.78	7,706.03
Borrowings (other than Debt Securities)	70,232.55	40,504.71	27,405.83
Subordinated liabilities	-	-	-
Financial liabilities (excluding Debt Securities, Borrowings (other than Debt Securities) and Subordinated liabilities)[(3)]	5,121.53	5,255.68	6,648.36
Current tax liabilities (net)	-	-	3.80
Provisions	359.94	268.46	229.36
Other Non-Financial Liabilities	426.97	616.39	183.60
Equity (equity share capital, other equity and non controlling interests)	44,476.79	42,593.75	40,930.59
Total liabilities and equity	**138,007.40**	**97,281.77**	**83,107.57**
Statement of Profit and Loss			
Total revenue from operations	17,679.82	26,790.26	11,491.44
Other income	72.47	46.55	275.50
Total Expenses	12,505.47	27,418.45	13,015.89
Profit for the year attributable to the Shareholders of the Company	3,845.16	(414.77)	(1,115.91)
Profit for the year to Non-controlling Interest	-	40.50	(42.35)
Other Comprehensive Income/(loss) to the Shareholders of the Company	(6.57)	73.06	18.77
Other Comprehensive Income/(loss) to Non-controlling Interest	-	1.30	-

Parameters	(₹ in million unless otherwise stated) As at and for the year ended March 31,		
	2019	2020	2021
Total Comprehensive Income for the Year	3,838.59	(299.91)	(1,139.49)
Earnings per equity share			
Basic (₹)	76.37	(6.78)	(18.24)
Diluted (₹)	68.85	(6.78)	(18.24)
Cash Flow			
Net Cash from operating activities (A)	(71,050.41)	55,242.16	12,144.18
Net Cash from / (used in) investing activities (B)	504.80	(2,737.47)	(8,051.36)
Net Cash (used in) financing activities (C)	70,618.32	(33,930.68)	(13,852.88)
Net (Decrease)/ Increase in cash and cash equivalents (D=A+B+C)	72.71	18,574.01	(9,760.06)
Cash and cash equivalents at the beginning of the year (E)	1,254.18	1,326.89	19,900.90
Cash and cash equivalents at the end of the year (D + E)	1,326.89	19,900.90	10,140.84
Additional Information			
Networth(4)	44,353.72	40,934.06	39,484.97
Assets Under Management	106,477.53	53,282.67	45,290.26
Interest Income (Including Treasury Income)#	15,585.22	24,892.70	9,761.44
Finance Costs	6,280.17	8,577.26	4,585.00
Impairment on financial instruments	1,035.06	8,964.98	1,841.20
Gross NPA (%) **	0.79%	1.71%	9.43%
Net NPA (%) ***	0.25%	0.66%	2.28%
CRAR - Tier I Capital (%)-Standalone##	37.12%	52.66%	58.24%
CRAR - Tier II Capital (%)-Standalone##	0.58%	6.27%	0.00%
Off Balance Sheet Assets-Loans Assigned	5,947.25	49,167.19	28,209.43
Total Debts to Total assets (5)	63.49%	49.90%	42.25%
Interest coverage ratio (Earnings before Interest and Tax / Interest Expense)	1.84	0.93	0.73

Notes:

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

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

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

(4) Net Worth –has been computed as per Companies Act, 2013.

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

***Gross NPA% = Gross NPA/(Assets Under Management).*

****Net NPA% = (Gross NPAs less provisions for ECL on NPAs)/(Assets Under Management).*

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

Computed in accordance with the RBI Master Directions.

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

Our key operating and financial metrics (on a consolidated basis) as at September 30, 2021 are as follows:

Parameters	**(₹ in million unless otherwise stated)** **As at and for the six months ended September 30, 2021**
Balance Sheet	
Property, plant and equipment and other intangible assets	1,381.67
Investments	4,177.80
Cash and cash equivalents	4,181.24
Financial assets (excluding Cash and cash equivalents and Investments) (1)	45,370.97
Non- financial assets (excluding Property, plant and equipment and other intangible assets) (2)	10,625.45
Total Assets	65,737.13
Debt Securities	3,565.15
Borrowings (other than Debt Securities)	17,043.80
Subordinated liabilities	-
Financial liabilities (excluding Debt Securities, Borrowings (other than Debt Securities) and Subordinated liabilities) (3)	6,655.46
Current tax liabilities (net)	4.40
Provisions	287.20
Other Non-Financial Liabilities	-
Equity (equity share capital, other equity and non-controlling interests)	226.47
Total liabilities and equity	37,954.65
Statement of Profit and Loss	
Total revenue from operations	3,752.14
Other income	85.08
Total Expenses	8,087.18

Parameters	(₹ in million unless otherwise stated) As at and for the six months ended September 30, 2021
Profit for the Period	(3,225.63)
Other Comprehensive income / (loss) (Net of tax)	(51.07)
Total Comprehensive Income (after tax)	(3,276.70)
Earnings per equity share	
Basic (₹)	(52.60)
Diluted (₹)	(52.60)
Cash Flow	
Net cash from / (used in) operating activities (A)	(1,273.71)
Net cash from investing activities (B)	9,981.96
Net cash used in financing activities (C)	(14,667.85)
Net Decrease in cash and cash equivalents (D=A+B+C)	(5,959.60)
Cash and cash equivalents at the beginning of the period (E)	10,140.84
Cash and cash equivalents at the end of the period (D + E)	4,181.24
Additional information	
Networth (4)	36,516.38
Assets Under Management	38,065.80
Off Balance Sheet Assets-Loans Assigned	21,110.97
Total Debts to Total assets (5)	31.35%
Interest Income (Including Treasury Income) #	2,093.11
Finance Costs	1,458.34
Interest Coverage Ratios (Earnings before Interest and Tax / Interest Expense)	-1.91
Impairment on financial instruments	2,673.24
Bad Debts to Loan Assets	1.71%
Gross NPA (%)**	3.07%
Net NPA (%)***	1.71%
CRAR - Tier I Capital (%)-Standalone##	61.79%
CRAR - Tier II Capital (%)-Standalone##	0.00%

Notes:

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

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

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

(4) Net Worth has been computed as per Companies Act, 2013.

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

*** Gross NPA% = Gross NPA/ (Assets Under Management).*

**** Net NPA% = (Gross NPAs less provisions for ECL on NPAs)/(Assets Under Management).*

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

Computed in accordance with the RBI Master Directions.

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

Our key operating and financial metrics (on a standalone basis) as at March 31, 2021, 2020 and 2019 are as follows:

	(₹ in million unless otherwise stated) As at and for the year ended March 31,		
Parameters	**FY 2019**	**FY 2020**	**FY 2021**
Balance Sheet			
Property, plant and equipment and other intangible assets	852.43	1,173.06	1,085.89
Investments	5,766.34	19,399.15	24,094.04
Cash and cash equivalents	9,307.85	19,668.69	9,961.43
Financial assets (excluding Cash and cash equivalents and Investments) [(1)]	107,014.15	50,395.29	40,477.64
Non-financial assets (excluding Property, plant and equipment and other intangible assets) [(2)]	1,636.62	4,801.92	3,941.47
Total Assets	124,577.39	95,438.11	79,560.47
Debt Securities	17,389.62	8,042.78	7,706.03
Borrowings (other than Debt Securities)	58,362.10	39,699.95	23,879.34
Subordinated liabilities	-	-	-
Financial liabilities (excluding Debt Securities, Borrowings (other than Debt Securities) and Subordinated liabilities) [(3)]	4,785.45	4,637.45	5,868.20
Current tax liabilities (net)	-	-	-
Provisions	106.75	244.14	214.44
Deferred tax liabilities (net)	-	-	-
Other Non-Financial Liabilities	252.18	436.41	135.67
Equity (equity share capital and other equity)	43,681.29	42,377.38	41,756.79
Total liabilities and equity	124,577.39	95,438.11	79,560.47
Statement of Profit and Loss			
Total revenue from operations	16,480.59	25,168.75	10,151.81
Other income	19.61	-	476.87
Total Expenses	11,166.24	24,672.65	11,326.68
Profit for the Year	4,001.94	542.54	(540.97)
Other Comprehensive (loss)	(2.90)	72.83	15.15

Parameters	(₹ in million unless otherwise stated) As at and for the year ended March 31,		
	FY 2019	FY 2020	FY 2021
Total Comprehensive Income for the Year	3,999.04	615.37	(525.82)
Earnings per equity share			
Basic (₹)	79.49	8.87	(8.84)
Diluted (₹)	71.66	8.87	(8.84)
Cash Flow			
Net cash flow from operating activities (A)	(64,215.41)	55,349.09	11,427.90
Net cash flow from / (used in) investing activities (B)	(2,292.17)	(14,060.24)	(4,460.99)
Net cash (used in) financing activities (C)	66,991.88	(30,928.01)	(16,674.18)
Net (Decrease) / Increase in cash and cash equivalents (D=A+B+C)	484.30	10,360.84	(9,707.27)
Cash and cash equivalents at the beginning of the year (E)	8,823.55	9,307.85	19,668.69
Cash and cash equivalents at the end of the year (D + E)	9,307.85	19,668.69	9,961.43
Additional information			
Net worth (4)	43,558.72	42,240.64	41,610.67
Assets Under Management	106,330.06	47,092.47	41,603.77
Interest Income (Including Treasury Income)#	15,297.28	24,254.89	9,315.45
Finance Costs	5,594.78	7,396.61	4,359.09
Impairment on financial instruments	1,030.13	8,162.52	1,539.34
Gross NPA (%)**	0.79%	1.93%	10.26%
Net NPA (%)***	0.25%	0.74%	2.50%
CRAR - Tier I Capital (%)-Standalone##	37.12%	52.66%	58.24%
CRAR - Tier II Capital (%)-Standalone##	0.58%	6.27%	0.00%
Off Balance Sheet Assets-Loans Assigned	5,947.26	49,167.18	28,209.43
Total Debts to Total assets(5)	60.81%	50.02%	39.70%
Interest coverage ratio (Earnings before Interest and Tax / Interest Expense)	1.95	1.07	0.84
Bad Debts to Loan Assets	0.00%	8.66%	4.95%

Notes:
(1) Financial assets (excluding Cash and cash equivalents and Investments) = Bank balance other than Cash and cash equivalents + Derivative financial instruments + Receivables + Loans + Other financial assets. (2) Non-financial assets (excluding property, plant and equipment and other intangible assets) = Current tax assets (net) + Deferred tax assets (net) + Right-of-use assets + Other Non-financial assets + Assets held for Sale
(3) Financial Liabilities (excluding Debt Securities, Borrowings (other than Debt Securities) and Subordinated liabilities) = Derivative financial instruments + Trade Payables + Other financial liabilities.
(4) Net Worth has been computed as per Companies Act, 2013
***Gross NPA% = Gross NPA/(Assets Under Management).*
****Net NPA% = (Gross NPAs less provisions for ECL on NPAs)/(Assets Under Management).*
 # Interest Income (Including Treasury Income) = Interest Income + Dividend Income + Net gain/(loss) on fair value changes + Net gain on derecognition of financial instruments under amortised cost category.
Computed in accordance with the RBI Master Directions.
Net Worth, Non-financial assets (excluding property, plant and equipment, other intangible assets and goodwill), financial assets (excluding cash and cash equivalents and investments, financial liabilities (excluding debt securities, borrowings (other than debt securities) and subordinate liabilities are Non-GAAP Financial Measures

which are supplemental measures of our performance and liquidity that is not required by, or presented in accordance with, Ind-AS. We compute and disclose such Non-GAAP Financial Measures as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of financial services businesses, many of which provide such Non -GAAP Financial Measures and other statistical and operational information when reporting their financial results. Such non-GAAP measures are not measures of operating performance or liquidity defined by generally accepted accounting principles and should not be considered in isolation or constructed as an alternative to cash flows, profit/(loss) for the years/period or any other measures of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind-AS, Indian GAAP, IFRS and US GAAP. These non-GAAP financial measures and other statistical information relating to our operations and financial performance are not standardised terms and may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other banks or financial institutions in India or elsewhere.

Our key operating and financial metrics (on a standalone basis) as at September 30, 2021 are as follows:

Parameters	***(₹ in million unless otherwise stated)*** **As at and for the six months ended September 30, 2021**
Balance Sheet	
Property, plant and equipment and other intangible assets	1,121.19
Investments	14,462.57
Cash and cash equivalents	3,476.47
Financial assets (excluding Cash and cash equivalents and Investments) (1)	35,920.38
Non- financial assets (excluding Property, plant and equipment and other intangible assets) (2)	7,021.14
Total Assets	62,001.75
Debt Securities	3,565.15
Borrowings (other than Debt Securities)	14,018.79
Subordinated liabilities	-
Financial liabilities (excluding Debt Securities, Borrowings (other than Debt Securities) and Subordinated liabilities) (3)	4,677.76
Current tax liabilities (net)	-
Provisions	268.26
Deferred tax liabilities (net)	-
Other Non-Financial Liabilities	213.24
Equity (equity share capital and other equity)	39,258.55
Total liabilities and equity	62,001.75
Statement of Profit and Loss	
Total revenue from operations	2,673.58
Other income	93.35
Total Expenses	6,426.86
Profit for the Period	(2,708.31)
Other Comprehensive income / (loss) (Net of tax)	-47.99
Total Comprehensive Income (after tax)	(2,756.30)

Parameters	(₹ in million unless otherwise stated) As at and for the six months ended September 30, 2021
Earnings per share (EPS)	
Basic (Amount in Rs.)	(44.26)
Diluted (Amount in Rs.)	(44.26)
Cash Flow	
Net Cash flow from operations (A)	(1,893.64)
Net cash flow from investing activities (B)	9,574.27
Net cash used in financing activities (C)	(14,165.59)
Net Decrease in cash and cash equivalents (D=A+B+C)	(6,484.96)
Cash and cash equivalents at the beginning of the period (E)	9,961.43
Cash and cash equivalents at the end of the period (D + E)	3,476.47
Additional information	
Networth (4)	39,112.43
Assets Under Management	34,555.07
Off Balance Sheet Assets-Loans Assigned	21,111.09
Total Debts to Total assets(5)	28.36%
Interest Income (Including Treasury Income)#	1,850.79
Finance Costs	1,315.09
Interest Coverage Ratios (Earnings before Interest and Tax / Interest Expense)	(1.78)
Impairment on financial instruments	1,860.02
Bad Debts to Loan Assets	1.89%
Gross NPA (%)**	3.38%
Net NPA (%)***	1.89%
CRAR - Tier I Capital (%)-Standalone##	61.79%
CRAR - Tier II Capital (%)-Standalone##	-

Notes:

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

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

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

(4) Net Worth has been computed as per Companies Act, 2013.

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

*** Gross NPA% = Gross NPA/(Loan Book).*

**** Net NPA% = (Gross NPAs less provisions for ECL on NPAs)/(Loan Book).*

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

Computed in accordance with the RBI Master Directions.

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

Our Company's Evolution

Our Company was incorporated as 'Malpani Securities Private Limited', a private limited company under the provisions of the Companies Act, 1956, pursuant to a certificate of incorporation dated October 27, 1994 issued by the RoC. Subsequently, the name of our Company was changed to 'Shivshakti Financial Services Private Limited' pursuant to a fresh certificate of incorporation dated January 13, 2010. This change in name was carried out by the erstwhile promoters of our Company prior to the acquisition of our Company by Dhani Services Limited (formerly Indiabulls Ventures Limited) in the year 2013. Our Company was subsequently converted to a public limited company pursuant to a resolution passed in the extra-ordinary general meeting of our shareholders held on October 07, 2014 and a fresh certificate of incorporation issued by the RoC on February 05, 2015. As a result of such conversion, the name of our Company was changed from 'Shivshakti Financial Services Private Limited' to 'Shivshakti Financial Services Limited'. Thereafter, the name of our Company was changed to 'IVL Finance Limited' pursuant to a fresh certificate of incorporation dated October 19, 2016.

After our Company commenced its MSME and consumer lending business we had made an application to the RBI for change in name from 'IVL Finance Limited' to 'Indiabulls Consumer Finance Limited' after which the name of our Company was changed to 'Indiabulls Consumer Finance Limited' pursuant to a fresh certificate of incorporation dated September 18, 2018.

Thereafter, upon commencement of our digital business operations through our mobile based application, "Dhani", the name of our Company was changed to 'Dhani Loans and Services Limited' and a fresh certificate of incorporation, consequent upon change of name was issued by the RoC on July 7, 2020.

We received a certificate of registration from the RBI to carry on the business of a NBFC without accepting public deposit on May 30, 1998 having registration number B-14.00909. Subsequently, we were issued a fresh certificate of registration having registration number B-14.00909 dated April 12, 2010 in lieu of the earlier certificate, due to change in name of our Company. Upon conversion of our Company from a private limited company to public limited company, we were issued a fresh certificate of registration having registration number B-14.00909 dated March 19, 2015 in lieu of the earlier certificate. Further, upon change of name of our Company from 'Shivshakti Financial Services Limited' to 'IVL Finance Limited', we received a new certificate of registration bearing registration number B-14.00909 dated December 13, 2016. Subsequently, upon change of name of our Company from 'IVL Finance Limited' to 'Indiabulls Consumer Finance Limited', we received a new certificate of registration bearing registration number B-14.00909 dated November 02, 2018. Subsequently, upon change of name of our Company from 'Indiabulls Consumer Finance Limited' to 'Dhani Loans and Services Limited', we received a new certificate of registration bearing registration number B-14.00909 dated August 21, 2020. We currently operate under the "Dhani" brand name. The Company has recently forayed into transaction financing.

Our Company has the following subsidiaries:

- Transerv Limited (formerly known as Transerv Private Limited) ("**Transerv**"):

  Transerv has been authorized by the RBI under the Payment and Settlement Systems Act, 2007, as amended, to issue and operate semi-closed prepaid payment instruments, pursuant to which Transerv operates a wallet service under the brand 'Dhani Pay'. It is also authorised to issue digital and physical Rupay Cards for its customers.

- Indiabulls Investment Advisors Limited (“**IIAL**”):

  IIAL is engaged in marketing of non-discretionary wealth management products.

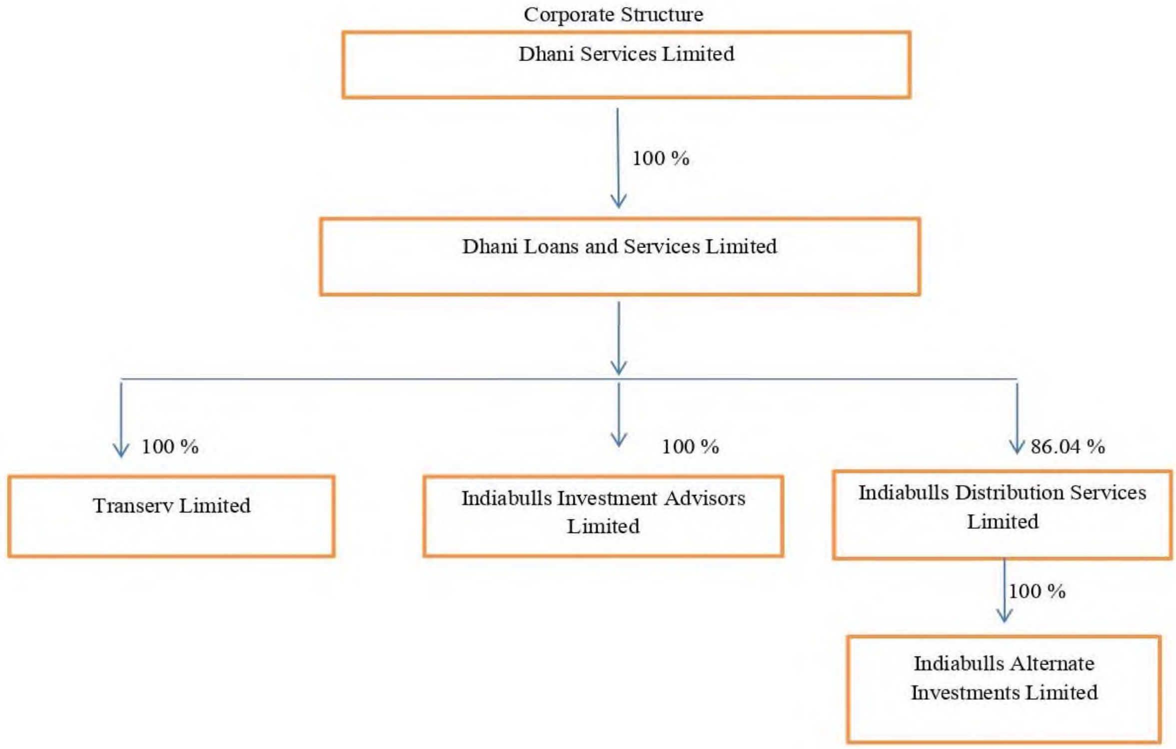
- Indiabulls Distribution Service Limited (“**IDSL**”):

  IDSL is engaged in marketing of non-discretionary wealth management products.

- Indiabulls Alternate Investments Limited (“**IAIL**”):

  IAIL is engaged primarily in the business of investment management, marketing, fund raising, advising and administration of SEBI registered alternative investment funds.

Corporate Structure
The corporate structure of our Company as on the date of this Prospectus is set out below:



GENERAL INFORMATION

Our Company was incorporated as 'Malpani Securities Private Limited', a private limited company under the provisions of the Companies Act, 1956, pursuant to a certificate of incorporation issued by the RoC, dated October 27, 1994. Subsequently, the name of our Company was changed to 'Shivshakti Financial Services Private Limited' pursuant to a fresh certificate of incorporation dated January 13, 2010. Pursuant to a resolution passed in the extra-ordinary general meeting of our shareholders held on October 07, 2014 and a fresh certificate of incorporation issued by the RoC on February 05, 2015, our Company was converted into a public limited company. Subsequently, the name of our Company was changed to 'IVL Finance Limited' pursuant to a fresh certificate of incorporation dated October 19, 2016. Pursuant to a fresh certificate of incorporation dated September 18, 2018, the name of our Company was changed to 'Indiabulls Consumer Finance Limited'. Thereafter, the name of our Company was changed to 'Dhani Loans and Services Limited' and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on July 7, 2020.

We received a certificate of registration from the RBI to carry on the business of a NBFC without accepting public deposit on May 30, 1998 having registration number 14.00909. Subsequently, we were issued a fresh certificate of registration having registration number B-14.00909 dated April 12, 2010 in lieu of the earlier certificate, due to change in name of our Company. Upon conversion of our Company from a private limited company to public limited company, we were issued a fresh certificate of registration having registration number B-14.00909 dated March 19, 2015 in lieu of the earlier certificate. Further, upon change of name of our Company from 'Shivshakti Financial Services Limited' to 'IVL Finance Limited', we received a new certificate of registration bearing registration number B-14.00909 dated December 13, 2016. Further, upon change of name of our Company from 'IVL Finance Limited' to 'Indiabulls Consumer Finance Limited', we received a new certificate of registration bearing registration number B-14.00909 dated November 02, 2018. Subsequently, upon change of name of our Company from 'Indiabulls Consumer Finance Limited' to 'Dhani Loans and Services Limited', we received a new certificate of registration bearing registration number B-14.00909 dated August 21, 2020.

Registered Office

M-62 & 63, First Floor
Connaught Place
New Delhi – 110001
Telephone No.: +91 11 3025 2900
Facsimile No.: +91 3015 6901
Email: mrustagi@dhani.com
Website: www.dhaniloansandservices.com
Registration No.: 062407

Corporate Office(s)

One International Centre
Senapati Bapat Marg
Elphinstone Road
Mumbai – 400 013
Telephone No.: + 91 22 6189 1000, + 91 22 6144 6344
Facsimile No.: +91 22 6189 1421

Indiabulls House,
448-451, Udyog Vihar, Phase V
Gurugram- 122016
Telephone No.: + 91 124 668 5899
Facsimile No.: + 91 124 668 1240

Email: mrustagi@dhani.com
Website: www.dhaniloansandservices.com
Registration No.: 062407
PAN No.: AACM0725H
Legal Identification Number: 335800YXCG6WPXZ8L358
Corporate Identification Number: U74899DL1994PLC062407

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

For information on the Company's main objects, please see the section titled "*History and Other Corporate Matters – Main Objects of our Company*" on page 139. The Memorandum of Association of the Company is a material document for inspection in relation to the Issue. For further details, see the section titled "*Material Contracts and Documents for Inspection*" on page 303.

Liability of the members of the Company

Limited by shares

Registrar of Companies, National Capital Territory of Delhi and Haryana

Registrar of Companies
National Capital Territory of Delhi and Haryana

4th Floor, IFCI Tower
61, Nehru Place
New Delhi – 110 019, India
Telephone No.: +91 11 2623 5703, +91 11 2623 5708
Facsimile No.: +91 11 2623 5702
Email: roc.delhi@mca.gov.in

Chief Financial Officer:

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

Mr. Rajeev Lochan Agrawal
Chief Financial Officer

Dhani Loans and Services Limited
448-451, Udyog Vihar, Phase V
Gurugram- 122016
Telephone No.: + 91 124 668 5900
Facsimile No.: + 91 124 668 1240
Email: rajagrawal@dhani.com

Compliance Officer and Company Secretary

The details of the person appointed to act as Compliance Officer for the purposes of this Issue are set out below:
Mr. Manish Rustagi
Company Secretary & Compliance Officer

Dhani Loans and Services Limited
448-451, Udyog Vihar, Phase V
Gurugram- 122016
Telephone No.: + 91 124 668 5899
Facsimile No.: + 91 124 668 1240
E-mail: mrustagi@dhani.com

Lead Managers

Edelweiss Financial Services Limited

Edelweiss House
Off CST Road, Kalina
Mumbai – 400 098
Maharashtra, India
Telephone No.: +91 22 4086 3535
Facsimile No.: +91 22 4086 3610
Email: dlsl.ncd@edelweissfin.com
Investor Grievance Email: customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact Person: Mr. Lokesh Singhi

Compliance Officer: Ms. Bhavana Kapadia
SEBI Registration No.: INM0000010650
CIN: L99999MH1995PLC094641

Trust Investment Advisors Private Limited

109/110, Balarama
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051
Maharashtra, India.
Telephone: +91 22 40845000
Facsimile: +91 22 40845066
Email: projectshubh2@trustgroup.in
Investor Grievance Email: customercare@trustgroup.in
Website: www.trustgroup.in
Contact Person: Ms. Hani Jalan
Compliance Officer: Mr. Brijmohan Bohra
SEBI Registration No.: INM000011120
CIN: U67190MH2006PTC162464

Debenture Trustee

Beacon Trusteeship Limited

4 C&D, Siddhivinayak Chambers,
Gandhi Nagar, Opp. MIG Cricket Club
Bandra (East), Mumbai- 400 051
Tel: +91 22 26558759
Email: contact@beacontrustee.co.in
Facsimile No.: +91 22 26558759
Investor Grievance e-mail: investorgrievances@beacontrustee.co.in
Website: www.beacontrustee.co.in
Contact Person: Mr. Vitthal Nawandhar
SEBI Registration Number: IND000000569
CIN: U74999MH2015PLC271288

Beacon Trusteeship Limited has, pursuant to Regulation 8 of SEBI NCS Regulations, by its letter dated December 01, 2021, given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in the Draft Prospectus, this Prospectus and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to this Issue. Please see "Annexure – B" to this Prospectus.

All the rights and remedies of the NCD Holders under this Issue shall vest in and shall be exercised by the appointed Debenture Trustee for this Issue without having it referred to the NCD Holders. All investors under this Issue are deemed to have irrevocably given their authority and consent to the Debenture Trustee so appointed by our Company for this Issue to act as their trustee and for doing such acts, deeds, matters, and things in respect of or relating to the Debenture Holders as the Debenture Trustee may in his absolute direction deem necessary or require to be done in the interest of Debenture Holders and signing such documents to carry out their duty in such capacity. Any payment by our Company to the NCD Holders / Debenture Trustee, as the case may be, shall from the time of making such payment, completely and irrevocably discharge our Company *pro tanto* from any liability to the NCD Holders. For details on the terms of the Debenture Trust Deed, please see "*Issue Related Information*" on page 242.

Registrar to the Issue

KFIN Technologies Private Limited (*formerly known as Karvy Fintech Private Limited*)

Selenium Tower B, Plot No – 31 & 32
Financial District, Nanakramguda, Serilingampally
Hyderabad Rangareddi, Telangana– 500 032
Telephone No.: +91 40 6716 2222

Facsimile No.: +91 40 2343 1551
Email: dhaniloans.ncdipo@kfintech.com
Investor Grievance Email: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: Mr. M. Murali Krishna
SEBI Registration Number: INR000000221
CIN: U7200TG2017PTC117649

KFIN Technologies Private Limited (*formerly known as Karvy Fintech Private Limited*) has by its letter dated December 01, 2021, given its consent for its appointment as Registrar to the Issue and for its name to be included in the Draft Prospectus, this 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 the Company Secretary & Compliance Officer in case of any pre-Issue or post-Issue related problems, such as non-receipt of Allotment Advice, demat credit, refund orders, transfers etc.

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, Permanent Account Number, number of NCDs applied for, Series of NCDs applied for, amount paid on application, Depository Participant name and client identification number, and the collection centre of the Members of the Consortium where the Application was submitted and ASBA Account number (for Bidders other than Retail Individual Investors bidding through the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or UPI ID in case of Retail Individual Investors bidding through the UPI mechanism. Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, 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 application 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 Stock Exchanges mechanism or through Trading Members may be addressed directly to the respective Stock Exchanges.

Statutory Auditor

Hem Sandeep and Co., Chartered Accountants
Chartered Accountants

D 118, Saket,
New Delhi - 110017
Telephone No.: +91 120 2451583
Facsimile No.: N/A
Email: ajay.sardana@hemsandeep.com
Website: N/A
Firm registration number: 009907N
Contact Person: Mr. Ajay Sardana, Partner
Date of appointment as Statutory Auditor: August 13, 2021
Term of appointment: 3 years
Peer Review No: 013047

Credit Rating Agency

Infomerics Valuation and Rating Private Limited
104 & 108 (1st floor), Golf Apartment
Sujan Singh Park, Maharishi Ramanna Marg
New Delhi – 110 003, India
Telephone No.: 011 – 2460 1142
Facsimile No.: 011 – 2462 7549
Email: cs@infomerics.com
Website: www.infomerics.com
Contact Person: Archana Kumar
SEBI Registration No: IN/CRA/007/2015

Credit Rating and Rationale

The NCDs proposed to be issued under this Issue have been rated "IVR AA/Stable Outlook" (pronounced as IVR AA with a stable outlook), for an amount of ₹ 10,000 million by Infomerics Valuation and Rating Private Limited vide letter dated March 10, 2021, further revalidated vide letters dated May 22, 2021, November 23, 2021 and December 16, 2021, and instruments with this rating are considered to offer high degree of safety regarding timely servicing of financial obligations and carry very low credit risk. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision. These ratings are subject to suspension, revision or withdrawal at any time by the assigning rating agencies and should be evaluated independently of any other ratings. For the rationale for these ratings, see *Annexure A* of this Prospectus.

Disclaimer clause of Infomerics

Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are 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 us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Legal Advisor to the Issue

Saraf and Partners Law Offices

Unit No 4, 3rd Floor
Adani Inspire, G Block
Bandra Kurla Complex
Mumbai – 400 051, India
Telephone No.: +91 22 4405 0600
Website: www.sarafpartners.com
Email: projectshubh2@sarafpartners.com

Public Issue Account Bank, Sponsor Bank and Refund Bank

HDFC Bank Limited
HDFC BANK
We understand your world

HDFC Bank Limited,
FIG - OPS Department- Lodha,
I Think Techno Campus O-3 Level,
Next to Kanjurmarg Railway Station,
Kanjurmarg (East), Mumbai - 400042
Email: siddharth.jadhav@hdfcbank.com, sachin.gawade@hdfcbank.com, neerav.desai@hdfcbank.com, eric.bacha@hdfcbank.com, tushar.gavankar@hdfcbank.com
Telephone: +91 022-30752914 / 27 / 28
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Webiste: www.hdfcbank.com
Investor Grievance Email: neerav.desai@hdfcbank.com, eric.bacha@hdfcbank.com, sachin.gawade@hdfcbank.com, siddharth.jadhav@hdfcbank.com, tushar.gavankar@hdfcbank.com
Registration Number: INBI00000063
Contact Person: Tushar Gavankar / Siddharth Jadhav / Prasanna Uchil/ Neerav Desai

Consortium Members

Edelweiss Broking Limited
2nd Floor, Office No. 201-203
Zodiac Plaza, Xavier College Road
Off C G Road, Ahmedabad –380009
Telephone No.: +91 22 4009 4400
Facsimile No.: NA
Email: amit.dalvi@edelweissfin.com; prakash.boricha@edelweissfin.com
Investor Grievance Email: helpdesk@edelweiss.in
Website: www.edelweissfin.com
Contact Person: Amit Dalvi / Prakash Boricha
SEBI Registration No.: INZ000005231

Trust Financial Consultancy Services Private Limited
1101, Naman Centre, 'G' Block,
C-31, Bandra Kurla Complex, Bandra (East),
Mumbai –400051
Telephone No.: +91 22 4084 5000
Facsimile No.: +91 22 4084 5066
Email: pranav.inamdar@trustgroup.in; projectshubh2@trustgroup.in
Investor Grievance Email: grievances@trustgroup.in
Website: www.trustgroup.in
Contact Person: Mr. Pranav Inamdar
Registration No.: INZ000238639

Trust Securities Services Private Limited
1202, Naman Centre, 'G' Block,
C-31, Bandra Kurla Complex, Bandra (East),
Mumbai –400051
Telephone No.: +9122 2656 7536
Facsimile No.: +91 22 2656 6598
Email: parth.maniar@trustgroup.in, projectshubh2@trustgroup.in
Investor Grievance Email: grievances@trustgroup.in
Website: www.trustgroup.in
Contact Person: Mr. Parth Maniar
SEBI Registration No.: INZ000158031

Recovery Expense Fund

Our Company has already created a recovery expense fund in the manner as specified by SEBI in circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 as amended from time to time and Regulation 11 of the SEBI NCS Regulations with the Designated Stock Exchange and informed the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.

Designated Intermediaries

Self Certified Syndicate Banks

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

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

Syndicate SCSB Branches

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

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

Broker Centres/ Designated CDP Locations/ Designated RTA Locations

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 04, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the Operational Circular, Applicants can submit the Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchange at www.bseindia.com and www.nseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Impersonation

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

"*Any person who:*

a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹ 1 million or 1.00% of the turnover of our Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 1 million or 1.00% of the turnover of our Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 5 million or with both.

Underwriting

The Issue is not underwritten.

Arrangers to the Issue

There are no arrangers to the Issue.

Guarantor to the Issue

There are no guarantors to the Issue.

Minimum Subscription

In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size which is Rs. 1,125 million. If our Company does not receive the minimum subscription of 75 % of the Base Issue Size which is Rs. 1,125 million, prior to the Issue Closing Date the entire subscription amount shall be unblocked in the Applicants ASBA Account within eight Working Days from the date of closure of the Issue or such time as may be specified by SEBI. The refunded subscription amount shall be credited only to the account from which the relevant subscription amount was remitted In the event, there is a delay by the our Company in unblocking the aforesaid ASBA Account within the prescribed time limit, our Company will pay interest at the rate of 15% per annum for the delayed period.

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

Utilisation of Issue proceeds

For details on utilization of Issue proceeds, please see "*Objects of the Issue*" on page 80.

Issue Schedule

ISSUE PROGRAMME*	
ISSUE OPENS ON	January 04, 2022
ISSUE CLOSES ON	January 27, 2022
PAY IN DATE	Application Date. The entire Application Amount is payable on Application

DEEMED DATE OF ALLOTMENT	The date on which the Board or the Bond Issue Committee approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors or the Bond Issue Committee and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to NCD Holders from the Deemed Date of Allotment.

** The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. during the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or the Bond Issue Committee. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in all the newspapers in which pre-issue advertisement and advertisement for opening or closure of the Issue have been given on or before such earlier or initial date of Issue closure. On the Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchanges. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 p.m. (Indian Standard Time) on one Working Day after the Issue Closing Date. For further details please refer to the chapter titled "Issue Related Information" on page 242.*

Applications Forms for the Issue will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges, during the Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday), (i) by the Consortium or the Trading Members of the Stock Exchanges, as the case maybe, at the centres mentioned in Application Form through the ASBA mode, (a) directly by the Designated Branches of the SCSBs or (b) by the centres of the Consortium, sub-brokers or the Trading Members of the Stock Exchanges, as the case maybe, only at the selected cities. On the Issue Closing Date Application Forms will be accepted only between 10 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. or such extended time as may be permitted by the Stock Exchanges. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 PM on one Working Day after the Issue Closing Date For further details please refer to the chapter titled "*Issue Related Information*" on page 242.

Due to limitation of time available for uploading the Applications 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. (Indian Standard Time) 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 Lead Managers or Trading Members of the Stock Exchanges are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that, within each category of investors the Basis of Allotment under the Issue will be on a date priority basis except on the day of oversubscription, if any, where the Allotment will be proportionate.

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

Inter-se Allocation of Responsibilities among the Lead Managers:

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

S. No.	Activities	Responsibility	Coordinator
1.	Due diligence of Issuer's operations/ management/ business plans/ legal etc.	Edelweiss and Trust	Edelweiss

S. No.	Activities	Responsibility	Coordinator
	Drafting and design of the Issue Documents. (The Merchant Bankers shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchange, RoC and SEBI including finalization of Issue Documents and RoC filing).		
2.	Co-ordination with Auditors on Comfort Letter and co-ordination with lawyers for legal opinion	Edelweiss and Trust	Edelweiss
3.	Structuring of various issuance options with relative components and formalities etc.	Edelweiss and Trust	Edelweiss
4.	Preparation and Finalisation of Application form	Edelweiss and Trust	Trust
5.	Drafting and design of the statutory advertisement	Edelweiss and Trust	Edelweiss
6.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (5) above including corporate advertisement, brochure, etc.	Edelweiss and Trust	Trust
7.	Appointment of other intermediaries viz., Registrar(s), Printers, Debenture Trustee, Consortium Members, Advertising Agency and Bankers to the Issue	Edelweiss and Trust	Edelweiss
8.	Preparation of road show presentation, FAQs	Edelweiss and Trust	Trust
9.	Individual / HUF marketing strategy which will cover, inter alia: § Finalize collection centers § Follow-up on distribution of publicity and Issue material including form, Prospectus and deciding on the quantum of the Issue material	Edelweiss and Trust	Trust
10.	Institutional and Non-institutional marketing strategy which will cover, inter alia: • Finalize media, marketing and public relation strategy and publicity budget • Finalize the list and division of investors for one on one meetings • Finalize centers for holding conferences for brokers, etc.	Edelweiss and Trust	Trust
11.	Coordination with the stock exchange for the bidding software	Edelweiss and Trust	Trust
12.	Coordination for security creation by way of execution of Debenture Trust Deed/ Deed of Hypothecation	Edelweiss and Trust	Trust
13.	Post-issue activities including - • Co-ordination with Bankers to the Issue for management of Escrow account(s) and timely	Edelweiss and Trust	Edelweiss

S. No.	Activities	Responsibility	Coordinator
	submission of application forms to RTA and daily collection figures under different categories. • Co-ordination with the Registrars and the Bankers to the Issue for timely submission of certificate, finalization of basis of allotment and allotment of bonds.		
14.	Co-ordination with the Registrar for dispatch of allotment and refund advices, dispatch of debenture certificates and credit of bonds.	Edelweiss and Trust	Edelweiss
15.	Finalization of draft of other stationery items like refund order, allotment & refund advice, bond certificate, LoA etc.	Edelweiss and Trust	Edelweiss
16.	Coordination with Registrar & Stock Exchanges for completion of listing and trading.	Edelweiss and Trust	Edelweiss
17.	Redressal of investor grievances in relation to post issue activities	Edelweiss and Trust	Edelweiss

CAPITAL STRUCTURE

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

The following table lays down details of our authorised, issued, subscribed and paid up share capital and securities premium account as at September 30, 2021:

(in ₹, except share data)

	Particulars	Amount
A.	**AUTHORISED SHARE CAPITAL**	
	80,000,000 Equity Shares of ₹10 each	800,000,000
	5,500,000 Preference Shares of ₹10 each	55,000,000
	Total Authorised Share Capital	**855,000,000**
B.	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL**	
	61,188,000 Equity Shares of ₹10 each	611,880,000
	Total Issued Subscribed and Paid-Up Capital	**611,880,000**
C.	**SECURITIES PREMIUM ACCOUNT**	
	Securities Premium Account before the Issue	37,053.44 million

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

2. **Details of change in authorised share capital of our company as on as on September 30, 2021, for the last three years:**

Date of Change (AGM / EGM)	Authorised Share Capital (in ₹)	Particulars
November 28, 2018 (EGM)	855,000,000	Increase in authorised share capital from ₹640,000,000 divided into 58,500,000 Equity Shares of ₹10 each and 5,500,000 Preference Shares of ₹10 each, to ₹855,000,000 divided into 80,000,000 Equity Shares of ₹10 each and 5,500,000 Preference Shares of ₹10 each.

3. **Share Capital History of our Company for the last three years as on September 30, 2021**

   a) *Details of Equity Share Capital*

The history of the paid-up Equity Share capital of our Company, as on September 30, 2021 for the last three years is set forth below:

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of Consideration (Cash, Other than cash, etc.)	Nature of Allotment	Cumulative Number of Equity Shares	Cumulative Equity Share Capital (₹)	Cumulative Securities Premium (₹)
March 15, 2019(1)	3,595,000	10	765	Cash	Preferential Issue	61,188,000	611,880,000	37,053,434,935

(1) *The Company, on March 15, 2019, allotted 3,595,000 Equity Shares by way of a preferential allotment on private placement basis to Dhani Services Limited (formerly Indiabulls Ventures Limited).*

b) *Details of Preference Share Capital*

The history of the paid-up Preference Share capital of our Company, as on September 30, 2021 for the last three years is set forth below:

Date of allotment	Number of preference shares allotted/ redeemed	Face value per preference share (₹)	Issue price per preference share (₹)	Nature of Consideration (Cash, Other than cash, etc.)	Nature of Allotment	Cumulative Number of Preference Shares	Cumulative Preference Share Capital (₹)	Cumulative Securities Premium (₹)
March 15, 2019	(5,500,000)	10	-	-	Redemption of preference shares(1)	0	0	Nil

(1) *Our Company, on March 12, 2019, changed the terms of the Preference Shares to 0.001% optionally convertible preference shares of face value of ₹10 each. Subsequently, on March 15, 2019, our Company redeemed the aforesaid 0.001% optionally convertible preference shares of face value of ₹10 each at ₹500 per preference share (including the premium of ₹490 per preference share). Accordingly, as on the date of this Prospectus, our Company has no outstanding preference shares.*

4. **Shareholding pattern of our Company as at September 30, 2021**

The following table sets forth the details regarding the equity shareholding pattern of our Company as on September 30, 2021:

S. No.	Name	No. of Equity Shares	As a % of total number of shares	No. of Equity Shares in demat form
1.	Dhani Services Limited (*formerly Indiabulls Ventures Limited*)	61,187,994	100.00	61,187,994
2.	Mr. Sanjeev Kashyap*	1	0.00	NIL
3.	Mr. Ravinder*	1	0.00	NIL
4.	Mr. Anil Malhan*	1	0.00	NIL
5.	Mr. Satish Chand*	1	0.00	NIL
6.	Mr. Matbeer Singh*	1	0.00	NIL
7.	Mr. Pankaj Sharma*	1	0.00	NIL
Total		61,188,000	100.00	61,187,994
**Held as nominee of Dhani Services Limited (formerly Indiabulls Ventures Limited)*				

The following table sets forth the details regarding the equity shareholding pattern of our Promoter and Promoter Group as on September 30, 2021:

Category of Shareholder	No. of Shareholders	No. of fully paid-up Equity Shares held	No. of Partly paid-up Equity Shares held	No. of Shares Underlying Depository Receipts	Total No. of Shares Held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights			Total as a % (A+B+C)	No. of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of equity shares held in dematerialised form
							Fully Paid-up Equity Shares	Partly Paid-up Equity Shares	Total				
(A) Promoter & Promoter Group	6	147,519,732	35,788,434	NIL	183,308,166	30.05	147,519,732	19,683,638.70	167,203,371	29.20	NIL	29.16	183,308,166
(B) Public	96,166	359,893,122	47,044,584	NIL	406,937,706	66.72	359,893,122	25,874,521.20	385,767,643	67.36	18,646,600	67.70	406,922,976
(C) Non-Promoter-Non-Public	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(C1) Shares underlying DRs	1	NIL	NIL	2,038	2,038	NIL	2,038	NIL	2,038	0.00	NIL	0.00	2,038
(C2) Shares held by Employees Trusts	1	19,700,000	NIL	NIL	19,700,000	3.23	19,700,000	NIL	19,700,000	3.44	NIL	3.13	19,700,000
Total:	96,174	527,112,854	82,833,018	2,038	609,947,910	100.00	527,114,892	45,558,160	572,673,052	100.00	18,646,600	100.00	609,933,180

The following table sets forth the details of disclosure made by the trading members holding 1% or more of the total number of shares of our Company as on September 30, 2021:

Nil

The following table shows the details of the significant beneficial owners as on September 30, 2021:

Nil

Details of Depositary Receipts as on September 30, 2021:

Nil.

5. **Shareholding of the Promoter and Promoter Group in our Company as on September 30, 2021:**

S. No.	Name of the Promoter	Total No. of Equity Shares	No. of Equity Shares in demat form	% of holding
1.	Dhani Services Limited *(formerly Indiabulls Ventures Limited)*	61,188,000*	61,187,994	100%

**Includes one Equity Share held by each Mr. Sanjeev Kashyap, Mr. Ravinder, Mr. Anil Malhan, Mr. Satish Chand, Mr. Malbeer Singh and Mr. Pankaj Sharma, respectively, as a nominee of Dhani Services Limited (formerly Indiabulls Ventures Limited).*

6. **Shareholding of the Promoter in our Company's Subsidiaries as on September 30, 2021**

   Our promoter holds 13.96 % of issue and paid equity share capital of IDSL.

7. **Details of the Directors' shareholding in our Company, as on September 30, 2021**

   Nil

8. **Details of the Directors' shareholding in our Company's Subsidiaries, joint ventures and associates, as on September 30, 2021**

   Nil

9. **Statement of the aggregate number of securities of the Company and its Subsidiaries purchased or sold by the Promoter, Promoter Group and by the directors of DSL (being the company which is a promoter of the Company) and by the Directors of the Company and their relatives within six months immediately preceding the date of filing this Prospectus:**

   Except as stated in "*Material Developments*" on page 187, none of the Promoter, members of the Promoter Group or directors of DSL (being the company which is a Promoter of the Company) or the directors of the Company and their relatives have purchased or sold any securities of the Company and its Subsidiaries within six months immediately preceding the date of filing this Prospectus.

10. **Details of top 10 equity shareholders of our Company as on September 30, 2021:**

Sr. No.	Name	No. of Equity Shares	As a % of total number of shares	No. of Equity Shares in demat form
1.	Dhani Services Limited (*formerly Indiabulls Ventures Limited*)	61,187,994	100.00	61,187,994
2.	Mr. Sanjeev Kashyap*	1	0.00	-
3.	Mr. Ravinder*	1	0.00	-
4.	Mr. Anil Malhan*	1	0.00	-
5.	Mr. Satish Chand*	1	0.00	-

Sr. No.	Name	No. of Equity Shares	As a % of total number of shares	No. of Equity Shares in demat form
6.	Mr. Matbeer Singh*	1	0.00	-
7.	Mr. Pankaj Sharma*	1	0.00	-
Total		61,188,000	100.00	61,187,994

**Held as nominee of Dhani Services Limited (formerly Indiabulls Ventures Limited)*

11. **Top 10 debenture holder (secured and unsecured) of our Company as on September 30, 2021:**

For details of top 10 debenture holders of our Company, please see "*Financial Indebtedness*" on page 188.

12. **Long term debt to equity ratio:**

The statement of capitalisation (debt to equity ratio) of our Company as on September 30, 2021 on a consolidated basis:

(₹ in million unless otherwise stated)

Particulars	Prior to the Issue (as on September 30, 2021)	Post Issue*
Debt		
Debt securities	3,565.15	6,565.15
Borrowings (other than debt securities)	17,043.80	17,043.80
Subordinated liabilities	-	-
Total Debt (A)	20,608.95	23,608.95
Equity		
Equity Share Capital	611.88	611.88
Other equity	36,698.92	36,698.92
Total Equity (B)	37,310.80	37,310.80
Total debt/ total equity (A/B) (In times)	0.55	0.63

Note: Considering cash and cash equivalents, the net debt to equity ratio as at September 30, 2021 stands at 0.44
**The debt - equity ratio post Issue is indicative on account of the assumed inflow of ₹3,000 million 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 Allotment.*

The statement of capitalisation (debt to equity ratio) of our Company as on September 30, 2021 on a standalone basis:

(₹ in million unless otherwise stated)

Particulars	Prior to the Issue (as on September 30, 2021)	Post Issue*
Debt		
Debt securities	3,565.15	6,565.15
Borrowings (other than debt securities)	14,018.79	14,018.79
Subordinated liabilities	-	-
Total Debt	17,583.94	20,583.94
Equity		
Equity Share Capital	611.88	611.88
Other equity	38,646.67	38,646.67
Total Equity (B)	39,258.55	39,258.55
Total debt/ total equity (A/B) (In times)	0.45	0.52

Note: Considering cash and cash equivalents, the net debt to equity ratio as at September 30, 2021 stands at 0.36.
**The debt - equity ratio post Issue is indicative on account of the assumed inflow of ₹3,000 million 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 Allotment.*

13. None of the Equity Shares have been pledged or otherwise encumbered by our Promoter and Promoter Group.

14. Our Promoter holds 100% of our share capital. There has been no change in the promoter holding in our Company during the last financial year beyond 26% (as prescribed by RBI).

15. **Details of any acquisition or amalgamation in the last one year**

    Nil

16. **Debt securities issued at a premium or a discount**

    Our Company has not issued debt securities at a premium or discount.

17. Our Company has not undergone any reorganisation or reconstruction in the last one year prior to filing of this Prospectus.

18. For details of the outstanding borrowing of our Company, please see "*Financial Indebtedness*" on page 188.

19. As on the date of this Prospectus, our Company does not have any employee stock option plan.

OBJECTS OF THE ISSUE

Issue Proceeds

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

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

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

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

(₹ in million)

Sr. No.	Description	Amount
1.	Gross Proceeds of the Issue	Up to ₹3,000 million
2.	(less) Issue Related Expenses*	Up to ₹70.50 million
3.	Net Proceeds (i.e., Gross Proceeds *less* Issue related expenses)*	Up to ₹2,929.50 million

** 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 Utilisation of Net Proceeds

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

Sr. No.	Objects of the Issue	Percentage of amount proposed to be financed from Net Proceeds
1.	For the purpose of onward lending, financing, and for repayment of interest and principal of existing borrowings of the Company*	At least 75%
2.	General corporate purposes*	Up to 25%
	Total	**100%**

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

Issue Related Expenses

The expenses of this Issue include, among others, fees for the Lead Managers and selling commission to the Lead Managers/Members of the Consortium, printing and distribution expenses, legal fees, advertisement expenses, fees payable to RTA, Debenture Trustee, SCSBs' commission / fees, listing fees, commission and fees payable to the intermediaries as provided for in the SEBI Operational Circular, and any other expense directly related to Issue. The Issue expenses and listing fees will be paid by our Company. Our Company shall include the details of commission and processing fees payable to each intermediary and the timelines for payment, in this Prospectus.

The estimated breakdown of the total expenses for the Issue is as follows*:

Activity	Amount (in ₹ million)	Percentage of overall Issue Size (%)
Fees to intermediaries (Lead Manager's fees, brokerage, rating agency, Registrar to the Issue, Sponsor Bank, legal advisor, Debenture Trustee, etc.)	30.00	1.00

Advertising and Marketing Expenses	30.00	1.00
Printing, Stationery and Distribution	3.00	0.10
Other Miscellaneous Expenses	7.50	0.25
Total	70.50	2.35

**Assuming the Issue is fully subscribed. The expenses are indicative and are subject to change depending on the actual level of subscription to the Issue and the number of Allottees, market conditions and other relevant factors.*

Our Company shall pay processing fees to the SCSBs for ASBA forms procured by Lead Managers/ Consortium Members / other Designated Intermediaries and submitted to the SCSBs for blocking the Application Amount of the applicant, at the rate of ₹15 per Application Form procured (inclusive of GST and other applicable taxes). However, it is clarified that in case of ASBA Application Forms procured directly by the SCSBs, the relevant SCSBs shall not be entitled to any ASBA Processing Fee

Our Company shall pay to the Sponsor Bank ₹8 per for every valid Application that is blocked (plus applicable taxes). The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other applicable laws.

Purpose for which there is a Requirement of Funds

As stated in "Issue Proceeds" above.

Funding plan

Not applicable

Summary of the project appraisal report

Not applicable

Schedule of implementation of the project

Not applicable

Interim Use of Proceeds

Our Board of Directors, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the proceeds received from 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 bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities as may be approved by the Board. Such investment would be in accordance with the investment policies approved by the Board or Bond Issue Committee from time to time.

Monitoring of Utilization of Funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. The Board shall monitor the utilisation of the proceeds of the Issue. For the relevant Financial Years commencing from Financial Year 2021-2022, our Company will disclose in our financial statements, the utilisation of the net 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. Our Company shall utilise the proceeds of the Issue only upon the execution of the documents for creation of security and receipt of final listing and trading approval from the Stock Exchanges. Further, in accordance with the SEBI Listing Regulations, our Company will furnish to the Stock Exchange(s) on a quarterly basis, a statement indicating the utilization of issue proceeds of non-convertible securities, which shall be continued to be given till such time the issue proceeds have been fully utilised or the purpose for which these proceeds were raised has been achieved. In case of any material deviation in the use of proceeds as compared to the objects of the issue, we shall indicate the same in the prescribed format specified by SEBI. Our Company shall utilize the proceeds of the Issue only upon execution of the documents for creation of Security and the Debenture Trust Deed and receipt of listing and trading approval from the Stock Exchange as stated in this Prospectus in the section titled "*Terms of the Issue*" on page 248.

Other Confirmation

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

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.

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

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

The Issue proceeds from NCDs allotted to Banks will not be utilized for any purpose which may be in contravention of the RBI guidelines or bank financing to NBFCs including those relating to classification as capital market or any other sectors that are prohibited under the RBI Regulations. The objects of the Issue do not entail loan to any entity which is a Group Company.

Variation in terms of contract or objects

The Company shall not, in terms of Section 27 of the Companies Act, 2013, at any time, vary the terms of the objects for which this Prospectus is issued, except as may be prescribed under the applicable laws and under Section 27 of the Companies Act, 2013.

Utilisation of Issue Proceeds

1. All monies received pursuant to the issue of NCDs to public shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act, 2013 and the SEBI NCS Regulations, and our Company will comply with the conditions as stated therein, and these monies will be transferred to Company's bank account after receipt of listing and trading approvals;

2. The allotment letter/intimation shall be issued, or application money shall be refunded in accordance with the applicable laws/SEBI guidelines failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period;

3. Details of all utilised and unutilised monies out of the monies collected out of the Issue and previous issues made by way of public offers, if any, shall be disclosed under an appropriate separate head in our balance sheet till the time any part of the proceeds of such issue remain unutilised, indicating the purpose for which such monies have been utilised and the securities or other forms of financial assets in which such unutilized monies have been invested;

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

5. We shall utilise the Issue proceeds only after (i) receipt of minimum subscription, i.e., 75% of the Base Issue Size; (ii) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (iii) creation of security; (iv) obtaining requisite permissions or consents for creation of *pari passu* charge over assets sought to be provided as Security; (v) obtaining listing and trading approval as stated in this Prospectus in the section titled "*Issue Structure*" on page 242.

6. The Issue proceeds shall be utilised in compliance with various guidelines, regulations and clarifications issued by RBI, SEBI or any other statutory authority from time to time. Further the Issue proceeds shall be utilised only for the purpose and objects stated in the Offer Documents; and

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

Benefit or Interest accruing to Promoters or Directors out of the objects of the Issue

There is no benefit or interest accruing to the Promoter or Directors from the Objects of the Issue.

STATEMENT OF TAX BENEFITS

Date: November 30, 2021

To,

The Board of Directors
Dhani Loans and Services Limited
One International Centre, Senapati Bapat Marg
Elphinstone Road, Mumbai – 400 013
Maharashtra, India

Dear Sirs,

Subject: Proposed public issue by Dhani Loans and Services Limited (the "Company" or the "Issuer") of secured redeemable non-convertible debentures of face value of ₹1,000 each (the "NCDs") for an amount aggregating up to ₹1,500 million (the "Base Issue") with an option to retain oversubscription of up to ₹1,500 million aggregating to ₹3,000 million (the "Issue").

1. We confirm that the enclosed Annexure prepared by Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited) ("the Company") provides the possible tax benefits available to the debenture holders of the Company under the Income-tax Act, 1961 ("the Act") as amended by the Finance Act, 2021, i.e. applicable for the Financial Year 2021-22 relevant to the assessment year 2022-23, presently in force in India. Several of these benefits are dependent on the Company or its debenture holders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company and / or its debenture holders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its debenture holders may or may not choose to fulfill.

2. The benefits discussed in the enclosed statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this Statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.

3. We are informed that the debentures of the Company will be listed on recognized stock exchanges in India. The Annexure has been prepared on that basis.

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

i) the Company or its debenture holders will continue to obtain these benefits in future;
ii) the conditions prescribed for availing the benefits have been / would be met with; and
iii) the revenue authorities/courts will concur with the views expressed herein.

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

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

For Ajay Sardana Associates

Chartered Accountants
Firm Registration No. 016827N
ICAI Peer review certificate No.: 013527

Rahul Mukhi
Partner
Membership No. 099719
Place: New Delhi
Date: November 30, 2021
UDIN: 21099719AAAAHG1657

Encl: Annexure A

Annexure A

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

The information provided below sets out the possible tax benefits available to the Debenture Holders of the Company under the Act presently in force in India. The Annexure is based on the provisions of the IT Act, as on date, taking into account the amendments made by the Finance Act, 2021 (FA 2021).

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

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

Taxability under the IT Act

1. Taxability under various heads of Income

The returns received by the investors from NCDS in the form of interest and the gains on the sale/ transfer of the NCD, may be characterized under the following broad heads of income for the purposes of taxation under the IT Act:
• Profits and gains from business;
• Income from capital gains; and
• Income from other sources.

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

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

This is discussed in the following paragraph.

"Profit and gains from business" versus "Capital gains"

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

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

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

Taxation of Interest

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

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

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

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

Taxation of Profits and gains from business

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

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

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

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

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

Taxation of Capital Gains

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

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

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

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

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

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

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

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

Computation of capital gains

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

Nature of transactions and resultant capital gain treatment

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

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

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

- Transactions in structured debentures.

Set off of capital losses.

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

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

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

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

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

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

Alternate Minimum Tax ("AMT")

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

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

Minimum Alternative Tax ("MAT")

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

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

The CBDT vide its Circular no. 29 of 2019 dated October 02, 2019 has clarified that MAT credit is not available to a domestic company exercising option under section 115BAA of the IT Act. The circular further clarifies that there is no time limit within which the option under section 115BAA of the IT Act can be exercised and accordingly, a domestic company having accumulated MAT credit may, if it so desires, exercise the option of section 115BAA of the IT Act at a future date, after utilizing the MAT credit against tax payable as per the regime existing prior to the Taxation Laws (Amendment) Act, 2019.

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

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

(a) It is a resident of a country with which India has a DTAA and the company does not have a permanent establishment in India in accordance with the provisions of such DTAA; or

(b) it is a resident of a country with which India does not have a DTAA and the foreign company is not required to register under any law applicable to companies.

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

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

Taxability of non-resident investors under the tax treaty

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

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

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

Widening of taxability of Capital Gains

In the context of taxation of capital gains, the definitions of "capital asset" and "transfer" are widened with retro-effect from April 01, 1961 specifically with a view to tax, in the hands of non-residents, gains from direct or indirect transfer of assets situated in India.

General Anti Avoidance Rules ("GAAR")

The General Anti Avoidance Rules (''GAAR'') were introduced in the IT Act by the Finance Act, 2012. The Finance Act, 2015 made the provisions of GAAR applicable prospectively from April 01, 2017. Further, income accruing, arising, deemed to accrue or arise or received or deemed to be received by any person from transfer of investments made up to 31 March 2017 would be protected from the applicability of GAAR.

Withholding provisions

The withholding provisions provided under the Act are machinery provisions meant for tentative deduction of income-tax subject to regular assessment. The withholding tax is not the final liability to income-tax of an assessee. For rate of tax applicable to an assessee, please refer Notes 1 and 2 below.

S. No.	Scenario	Provisions
1	Withholding tax rate on interest on NCD issued to Indian residents	• Interest paid to residents other than insurance companies will be subject to withholding tax as per section 193 of the IT Act at the rate of 10 per cent. • No tax is required to be deducted on interest paid to an individual of a HUF, in respect of debentures issued by a company in which the public is substantially interested if; - the amount of interest paid to such person in a financial year does not exceed INR 5,000; and - such interest is paid by an account payee cheque • Further, no tax is required to be deducted on any interest payable on any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the rules made thereunder.
2	Withholding tax rate on interest on NCD issued to Foreign Portfolio Investors (FPI)	• Interest on NCD issued to FPI may be eligible for concessional withholding tax rate of 5 per cent under section 194LD of the IT Act.

[1] Status (individual, company, firm etc.) of the taxpayer
-Nationality (in case of an individual) or country or specified territory of incorporation or registration (in case of others);
-Taxpayer's tax identification number in the country or specified territory of residence (In case there is no such number, then, a unique number on the basis of which the person is identified by the Government of the country or the specified territory of which the taxpayer claims to be a resident);
-Period for which the residential status, as mentioned in the certificate of residence is applicable; and
-Address of the taxpayer in the country or specified territory outside India, during the period for which the certificate is applicable

		• If section 194LD of the IT Act is not applicable, then tax deduction should be made as per sections 196D read with section 115AD of the IT Act i.e., at 20 per cent subject to relief under the relevant DTAA, if any. • If both sections i.e. 194LC and 194LD of the IT Act are not applicable, then tax deduction should be made as per sections 196D read with section 115AD of the IT Act i.e. at 20 per cent subject to relief under the relevant DTAA, if any. • Withholding rate will be increased by surcharge as applicable (Refer Note 2) and a health and education cess of 4 per cent on the amount of tax plus surcharge as applicable.
3	Withholding tax rate on interest on NCD issued to non-residents other than FPIs	• Interest payable to non-resident (other than FPI) would be subject to withholding tax at the rate of 30 per cent/40 per cent as per the provisions of section 195 of the IT Act subject to relief under the relevant DTAA depending upon the status of the non-resident. Alternatively, benefits of concessional rates of 5 per cent under section 194LC of the IT Act could be availed provided specific approval is obtained from the Central Government with respect to the rate of interest. • Withholding rate will be increased by surcharge as applicable (Refer Note 2) and a health and education cess of 4 per cent on the amount of tax plus surcharge, as applicable.
	Withholding tax rate on purchase of 'goods'	• As per section 194Q of the IT Act, inserted by FA, 2021, any sum payable by a 'buyer' to a resident for purchase of 'goods' of the value exceeding INR 50 Lakhs shall be liable to withholding at the rate of 0.1 percent. • Buyer means a person whose total sales, turnover or gross receipts from the business carried on by him exceeds INR 100 million in the financial year immediately preceding the financial year in which the purchase is carried out. • TDS shall not be applicable where; a) Tax is deductible under any of the provisions of the IT Act; or b) Tax is collectible under the provisions of section 206C of the IT Act other than a transaction to which section 206C(1H) of the IT Act applies • Given that the term 'goods' has not been defined under the section 194Q of the Act and there exists lack of clarity on whether the term 'goods' would include 'securities', it is advisable that the investors obtain specific advice from their tax advisors regarding the same.

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

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

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

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

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

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

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

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

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

* plus surcharge if applicable –Refer Note 2 and a health and education cess of 4 per cent on the amount of tax plus surcharge, if applicable).
**A resident individual (whose total income does not exceed Rs 500,000) can avail rebate under section 87A. It is deductible from income tax before calculating health and education cess. The amount of rebate available would be 100 per cent of income-tax chargeable on his total income or Rs 12,500, whichever is less."

Partnership Firms & LLPs

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

Domestic Companies

Type of Domestic company	**Base normal tax rate on income (other than income chargeable at special rates)**	**Base MAT rate**
Domestic companies having turnover or gross receipts of less than Rs 400 Cr in FY 2019-20	25 per cent	15 per cent
Domestic manufacturing company set-up and registered on or after 1 March 2016 subject to fulfilment of prescribed conditions (Section 115BA)	25 per cent	15 per cent
Any domestic company (even if an existing company or engaged in non-manufacturing business) has an option to avail beneficial rate, subject to fulfilment of prescribed conditions (Section 115BAA)	22 per cent	Not applicable
Domestic manufacturing company set-up and registered on or after October 01, 2019 and commences manufacturing upto 31 March 2023, has an option to avail beneficial rate, subject to fulfilment of prescribed conditions (Section 115BAB)	15 per cent	Not applicable
Domestic companies not falling under any of the above category	30 per cent	15 per cent

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

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

Particulars	Rate of surcharge
Where total income (including dividend income and income under the provisions of section 111A and section 112A of the IT Act) does not exceed Rs 50 lakhs	Nil
Where total income (including dividend income and income under the provisions of section 111A and section 112A of the IT Act) exceeds Rs 50 lakhs but does not exceed Rs 1 crore	10 per cent on total tax
Where total income (including dividend income and income under the provisions of section 111A and section 112A of the IT Act) exceeds Rs 1 crore but does not exceed Rs 2 crore	15 per cent on total tax
Where total income (excluding dividend income and income under the provisions of section 111A and section 112A of the Act) does not exceed Rs 2 crore but total income (including dividend income and income under the provisions of section 111A and section 112A of the Act) exceeds Rs 2 crore	15 per cent on total tax
Where total income (excluding dividend income and income under the provisions of section 111A and section 112A of the IT Act) exceeds Rs 2 crore but does not exceed Rs 5 crore	- 25 per cent on tax on income excluding dividend income and income under the provisions of section 111A and section 112A of the IT Act - 15 per cent on tax on dividend income and income under the provisions of section 111A and section 112A of the IT Act
Where total income (excluding dividend income and income under the provisions of section 111A and section 112A of the IT Act) exceeds Rs 5 crore	- 37 per cent on tax on income excluding dividend income and income under the provisions of section 111A and section 112A of the IT Act - 15 per cent on tax on dividend income and income under the provisions of section 111A and section 112A of the IT Act

FPIs (Non corporate)

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

	- 15 per cent on tax on dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act
Where total income (excluding dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) exceeds Rs 5 crore	- 37 per cent on tax on income excluding dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act - 15 per cent on tax on dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act

For assessees other than those covered above

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

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

Note 3: Taxability of interest income

For all Residents (including Indian Corporates)

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

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

In case of non-residents, under the IT Act, the interest income should be chargeable to tax at the rate of 30/ 40 per cent depending on the status of the non-resident (plus applicable surcharge and health and education cess).

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

For FPI entities

In case of FPI, interest on NCD may be eligible for concessional tax rate of 5 per cent (plus applicable surcharge and health and education cess) under section 194LD of the IT Act. Further, in case where section 194LD is not applicable, the interest income earned by FPI should be chargeable tax at the rate of 20 per cent under section 115AD of the IT Act.

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

Note 4: Regular capital gains tax rates

1.Tax on Long-term Gains

1.1 For all Residents (including Indian Corporates)

Long-term Capital Gains (other than long-term capital gains chargeable under section 112A of the IT Act) will be chargeable to tax under Section 112 of the IT Act, at a rate of 20 per cent (plus applicable surcharge and health and education cess respectively –Refer Note 2) with indexation.

Alternatively, the tax rate may be reduced to 10 per cent without indexation (plus applicable surcharge and health and education cess–Refer Note 2) in respect of listed securities (other than a unit) or zero-coupon bonds (as defined).

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

1.2 For Resident Individuals and HUFs only

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

Alternatively, the tax rate may be reduced to 10 per cent without indexation (plus applicable surcharge and health and education cess –Refer Note 2) in respect of listed securities (other than a unit) or zero-coupon bonds as defined.

However, as per the fourth proviso to section 48 of the IT Act, benefit of indexation of cost of acquisition under second proviso to section 48 of the IT Act, is not available in case of bonds, debentures, except capital indexed bonds. Accordingly, long term capital gains arising to the bond holders, should be subject to tax at the rate of 10 per cent, computed without indexation, as the benefit of indexation of cost of acquisition is not available in the case of debentures.

1.3 For Non-Resident Individuals

Long-term capital gains (other than long-term capital gains chargeable under section 112A of the IT Act) in case of listed securities will be chargeable under Section 112 of the IT Act at a rate of 20 per cent (plus applicable surcharge and health and education cess –Refer Note 2) with applicable foreign exchange fluctuation benefit or indexation, as the case may be. The tax payable (for other than a listed unit) could alternatively be determined at 10 per cent (plus applicable surcharge and health and education cess–Refer Note 2) without indexation.

However, as per the fourth proviso to section 48 of the IT Act, benefit of indexation of cost of acquisition under second proviso to section 48 of the IT Act, is not available in case of bonds, debentures, except capital indexed bonds. Accordingly, long term capital gains arising to the bond holders, should be subject to tax at the rate of 10 per cent, computed without indexation, as the benefit of indexation of cost of acquisition is not available in the case of debentures.

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

1.4 For FPI entities

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

2.Tax on Short-term Capital Gains

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

In case of FPI, as per section 115AD of the IT Act, short term capital gains on transfer or sale of NCDs are taxable at the rate of 30 per cent (plus applicable surcharge and health and education cess –Refer Note 2).

Note 5: Relevant definitions under the IT Act

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

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

For the purpose of section 112 of the IT Act:

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

b) "Zero coupon bond" means a bond-

- issued by any infrastructure capital company or infrastructure capital fund or public sector company [or scheduled bank] on or after June 01, 2005;
- in respect of which no payment and benefit is received or receivable before maturity or redemption from infrastructure capital company or infrastructure capital fund or public sector company [or scheduled bank]; and
- which the Central Government may, by notification in the Official Gazette, specify in this behalf.

Note 6: Amendments in the withholding tax provisions

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

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

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

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

- Name, email-id, contact number;
- Address in the country or specified territory outside India of which the deductee is a resident;

- A certificate of his being resident in any country or specified territory outside India from the government of the other country or specified territory if the law of that country or specified territory provides for issuance of such certificate;

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

Further, the FA, 2021 has introduced a new section for punitive withholding tax rate for non-filers of return of income.

As per section 206AB of the IT Act, inserted by the FA 2021, with effect from 1 July 2021, payments made to specified persons will be subject to TDS at rate which is higher of the following:

• twice the rate specified in the relevant provision of the Act; or

• twice the rate or rates in force; or

• the rate of 5%

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

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

• Who has not filed an income-tax return for two preceding AYs relevant to the previous years immediately prior to the previous year in which the tax is required to be deducted and the prescribed time limit to file the income-tax return has expired;

• The aggregate amount of TDS exceeds INR 50,000 or more in each of these previous years

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

Note 7: Other Provisions

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

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

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

Note 8: Other Notes

a) The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of debentures.

b) The stated benefits will be available only to the sole/ first named holder in case the debentures are held by joint holders.

c) In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the applicable DTAA, if any, between India and the country in which the non-resident has fiscal domicile.

d) This Statement does not discuss any tax consequences in the country outside India of an investment in the Debentures. The subscribers of the Debentures in the country other than India are urged to consult their own professional advisers regarding possible income tax consequences that apply to them.

e) The above Statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

f) The above Statement of possible tax benefits is as per the current direct tax laws relevant for the Assessment year 2022-23 i.e. Financial Year 2021-22. Several of these benefits are dependent on the Company or its Debenture Holders fulfilling the conditions prescribed under the relevant tax laws.

g) This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the Debentures of the Company. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. 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.

h) This Statement does not cover analysis of provisions of Chapter X-A of the Act dealing with General Anti-Avoidance Rules and provisions of Multilateral Instruments.

SECTION IV-ABOUT OUR COMPANY

INDUSTRY OVERVIEW

Unless noted otherwise, the information in this section has been obtained or derived from industry sources, such as CRISIL – NBFC Report October 2021, and government publications, such as RBI Monetary Policy Report, October 2021and the RBI Bi-monthly Monetary Policy Statement, 2021-22 (October) and India Economic Survey –Volume II (2020-21). The information in this section has not been independently verified by us, the Lead Managers or any of our or their respective affiliates or advisers. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information. Figures used in this section are presented as in the original sources and have not been adjusted, restated or rounded-off for presentation in this Prospectus.

Global Economy

Economic activity accelerated in major advanced economies (AEs) and emerging market economies (EMEs) in Q2:2021, but faltered in Q3, with most economies yet to return to their pre-pandemic levels. Sustained policy support, easing of restrictions and vaccination supported a strong pick-up in consumer spending. Employment remains below the pre-pandemic level and the Federal Reserve (Fed)'s goal of maximum employment, beset with hiring difficulties and labour supply shortages. Incoming data for Q3 also suggest that the momentum of growth may have moderated – consumer sentiment plummeted in August to its lowest level in nearly a decade due to surging delta variant infections and inflation concerns, before rising marginally in September. The manufacturing PMI eased in July due to persistent supply side frictions but improved in the next two months even as the rising infections caseload weighed on the outlook.

Significant progress on vaccination, together with falling rates of incidence, boosted consumer and business sentiments, and brightened the prospects for domestic demand and employment. An examination of key macroeconomic indicators of BRICS economies reveals that the macroeconomic performance of India is likely to remain resilient in 2021 when compared with most other counterparts.

The multi-speed economic recovery across countries is becoming increasingly susceptible to renewed bouts of rapid spread of infections. There has been a perceptible slowdown of economic activity across the globe in recent months, particularly in Asia. Inflation remains high across the world, with supply disruptions becoming more widespread. There is a risk that above target inflation may persist longer than anticipated in several economies. The pervading threat of the delta variant has led monetary authorities – that had earlier signaled unwinding – to be on hold, while incremental inflationary pressures have made others signal a sooner unwinding.

(Source: RBI Monetary Policy Report, October 2021 - https://rbidocs.rbi.org.in/rdocs/Publications/PDFs/MPRO08102021A0391DC82DBF4F78BA600399F12356EA.PDF)

Domestic economic activity is gaining traction with the ebbing of the second wave. The substantial acceleration in the pace of vaccination, the sustained lowering of new infections and the coming festival season should support a rebound in the pent-up demand for contact intensive services, strengthen the demand for non-contact intensive services, and bolster urban demand. Monetary and financial conditions remain easy and supportive of growth. Capacity utilisation is improving, while the business outlook and consumer confidence are reviving. The broad-based reforms by the government focusing on infrastructure development, asset monetisation, taxation, telecom sector and banking sector should boost investor confidence, enhance capacity expansion and facilitate crowding in of private investment. The production-linked incentive (PLI) scheme augurs well for domestic manufacturing and exports.

(Source: RBI Bi-monthly Monetary Policy Statement, 2021-22 Resolution of the Monetary Policy Committee – October 06 - 08,2021

https://rbidocs.rbi.org.in/rdocs/PressRelease/PDFs/PR10028284903836D245FBA78B07929792711B.PDF)

The Indian Economy-Macroeconomic Outlook

Domestic economic activity is normalising after the ferocious second wave retarded momentum. The outlook remains overcast by the future path of the pandemic; the accelerated pace of vaccination and release of pent-up demand provide an upside to the baseline growth path. Headline inflation has fallen back into the tolerance band and the trajectory is expected to be driven by supply-side factors. A faster resolution of supply chain disruptions, good food grains production and effective supply management could cause inflation to undershoot the baseline, contingent on the evolution of the pandemic and the efficacy of vaccines.

(Source: RBI Monetary Policy Report, October 2021 - https://rbidocs.rbi.org.in/rdocs/Publications/PDFs/MPRO08102021A0391DC82DBF4F78BA600399F12356EA.PDF)

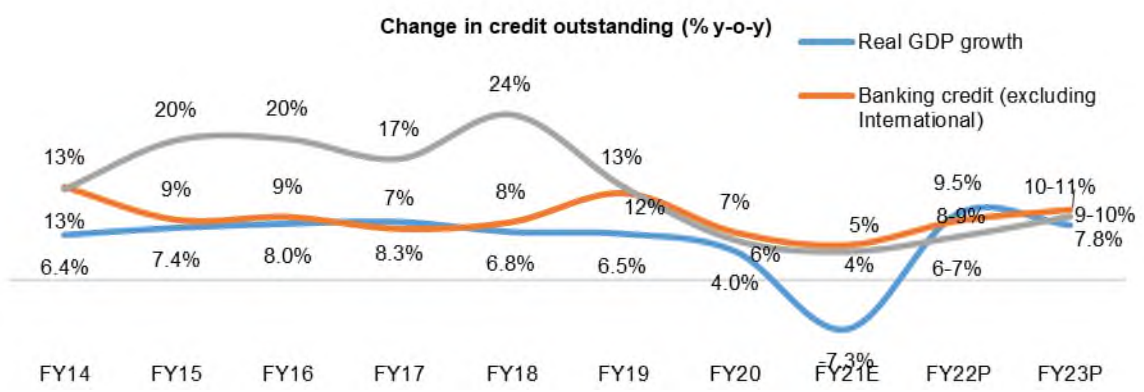
After an estimated 7.7 per cent pandemic-driven contraction in 2020-21, India's real GDP is projected to record a growth of 11.0 percent in 2021-22 and nominal GDP by 15.4 per cent. These conservative estimates reflect upside potential that can manifest due to the continued normalisation in economic activities as the rollout of Covid-19 vaccines gathers traction. This will further be supported by supply-side push from reforms and easing of regulations, push to infrastructural investments, boost to manufacturing sector through the Productivity Linked Incentive Schemes, recovery of pent-up demand for services sector, increase in discretionary consumption subsequent to roll-out of the vaccine and pick up in credit given adequate liquidity and low interest rates. This path would entail a growth in real GDP by 2.4 percent over the absolute level of 2019-20 – implying that the economy would take two years to reach and go past the pre-pandemic level. These projections are in line with IMF estimate of real GDP growth of 11.5 per cent in 2021-22 for India and 6.8 per cent in 2022-23. India is expected to emerge as the fastest growing economy in the next two years as per IMF.

(Source: India Economic Survey - Volume II (2020-21), Chapter 1, Ministry of Finance - https://www.indiabudget.gov.in/economicsurvey/doc/vol2chapter/echap01_vol2.pdf)

NBFCs Review and outlook

NBFC segment to grow at 6-7% in fiscal 2022, with revival in the economy

Despite second wave, growth looking up for NBFCs



Source: RBI, National Housing Bank, Ministry of Finance, Company reports, CRISIL Research

According to the provisional estimates released by the National Statistical Office, India's GDP contracted 7.3% (in real terms) in the previous fiscal, after having grown 4.0% in fiscal 2020. The second Covid-19 wave has thrown cold water over the Indian economy that was beginning to warm up after the most severe contraction since Independence. The rash of afflictions that followed forced lockdown in states, hurting consumer and business confidence yet again. Mercifully, the second wave has abated now. Consequently, CRISIL estimates GDP growth for India at 9.5% for the current fiscal.

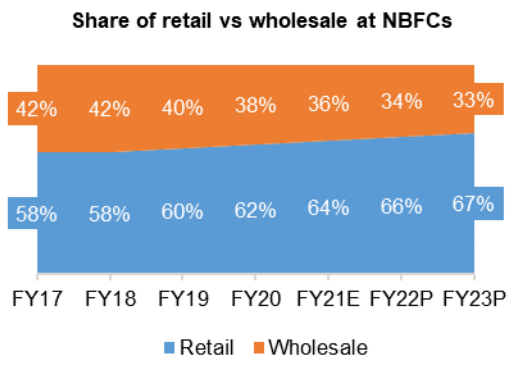
NBFC segment which stood at Rs 23.75 trillion in fiscal 2021 (excluding PFC and REC) is expected to grow at 6-7% in fiscal 2022. This is mainly led by growth in retail segments like Housing, Auto, Gold which have performed well even in previous fiscal. After surpassing pre-Covid level disbursements in Q4 of fiscal 2021, disbursements declined by 50% in Q1 of fiscal 2022, across asset classes due to Covid-19 second wave. However, the government was able to restrict the impact to first quarter alone with effective state-wide lockdowns and increased vaccination efforts. Players have been mentioning about pick-up in the disbursements after July 2021.

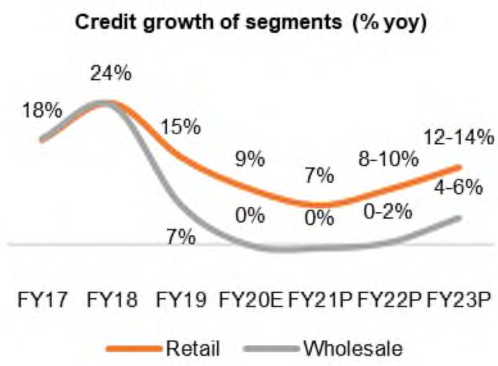
Lower interest rates, improving vaccination progress, rapid revival in the economy is expected to drive the consumer demand in rest of the quarters leading to a healthy growth of the NBFCs this fiscal. Fiscal 2023 is expected to fare better at 9-10% growth with support from wholesale segment as well.

NBFCs logged a healthy CAGR of 14% over fiscals 2016 to 2020. However, their book grew at a slower rate of 6% 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. With the outbreak of Covid-19, the growth in the loan book slowed down to 4% in fiscal 2021. While first quarter of fiscal 2021, witnessed almost negligible disbursements.

Retail segment, which showed resilience in fiscal 2021 to drive growth again this fiscal

Retail segment gaining share due to risk averseness by the lenders





Note: 1) Retail includes housing, auto, gold, microfinance, personal loans, consumer durables and education
2) Wholesale includes MSME, real estate and large corporate, infrastructure (excluding PFC and REC) and construction equipment
Source: Industry, CRISIL Research

The retail segment is again expected to support NBFC sector growth by growing at 8-10% in fiscal 2022 as against muted growth in the wholesale segment. The segment is expected to gain market share of 67% by the end of fiscal 2023, from 64% as of fiscal 2021. After NBFC crisis, the growth in the NBFC segment has been mainly led by retail segment, while wholesale segment has shown muted performance in both fiscal 2020 and 2021.

Housing finance: While double-digit growth looked probable this fiscal, the second Covid-19 wave impacted disbursements in the first quarter. NBFCs reported first-quarter disbursements declined 40-60% compared with the fourth quarter of the previous fiscal. However, with the income levels of salaried customers largely intact and home loan rates remaining low, disbursements rebounded after June 2021. With visible recovery across most sectors, disbursements are expected to increase further in the rest of the fiscal. NBFC housing credit is expected to grow at 8-10% this fiscal. With the economy improving further, credit is expected to grow 9-11% in fiscal 2023.

Auto finance was affected due to the second wave, with partial lockdowns and disruptions in economic activity in the first quarter, affecting vehicle sales across segments. However, we believe a gradual improvement in consumer confidence and a pickup in economic growth will revive vehicle sales in subsequent quarters, led by new and used

PV, and new CV segments. With improvement in overall economic scenario, financiers are expected to increase LTVs across vehicle segments. This along with improving collections will result into an overall book growth of 6-7%. NBFC book is expected to show a slower growth at 4-5% as asset quality concerns in Q1 of fiscal 22 will weigh on overall growth as well as stiff competition from banks. Lenders will remain cautious towards riskier segments like used CVs, three-wheelers and two-wheelers resulting into a relatively slower growth.

Gold loan finance is expected to continue to grow in fiscal 2022. Also, reduced household earnings and unforeseen medical expenses amid the pandemic over the past 16 months or so have spurred demand for gold loans to bridge cash-flow shortages. Borrowers have also found it easier to secure credit for their personal and business needs by pledging gold jewellery at a time when lenders have turned more cautious and traditional funding avenues have dried up. As a result, the books of gold loan NBFCs will grow 14-16% in the current fiscal.

Microfinance segment was worst hit by second wave as disbursements declined similar to Q1 of fiscal 2021 as lockdowns were imposed severely impacting collections. Most of the players saw their book decline in Q1 of fiscal 22 as incomes were impacted amid restrictions across most of the states. However, collections have improved to beyond 90% levels since July 2021 which will result into higher disbursements in rest of the fiscal driving microfinance loan book by ~10% in fiscal 2022. Growth will however be lower for the second year in a row as compared to the high growth experienced prior to fiscal 2021.

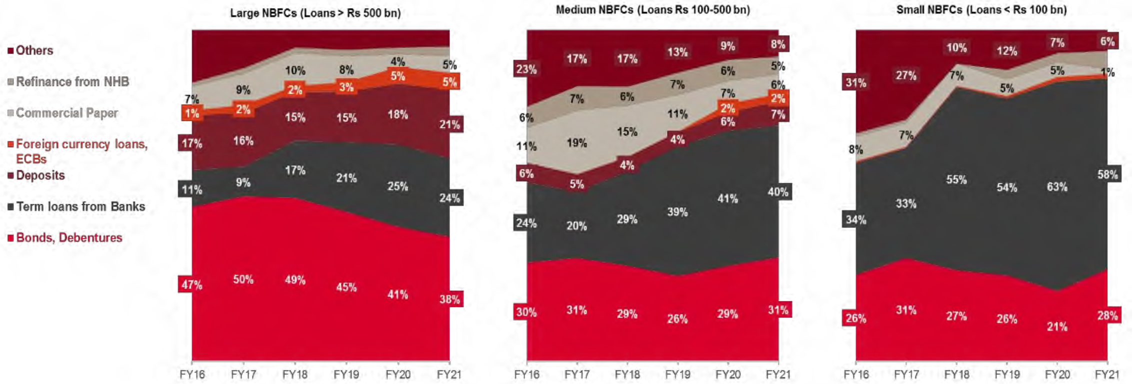
MSME: The segment is expected to witness a gradual improvement in demand amid faster economic growth reviving the financing to MSMEs in the latter 9 months of fiscal 2022. CRISIL Research expects the outstanding book of NBFCs in the MSME segment to grow at 5-7% in fiscal 2022. We expect that since the economy will be back on track in the latter half of the fiscal 2022, unsecured loans will gain back their traction and witness relatively higher growth rates. However, non-banks will be wary of funding given the already existing stress and thus will witness moderate growth rates.

Real estate and Corporate: Lower disbursements resulted in negative 5-7% growth at NBFCs in fiscal 2021. Going forward, the wholesale segment at NBFCs is estimated to witness a further decline on account of stress in the real estate and corporate sectors. In addition, many players have announced strategies to reduce their exposure to real estate segment.

Infrastructure including PFC and REC: This segment is likely to register growth of 10-11% this fiscal dominated by PFC and REC, which will continue to clock high growth rates of 11-12%. Growth to be supported by investments in the Power and Renewable sector and remaining disbursements under Atmanirbhar scheme. Disbursements will continue to see strong growth aided by the 1.35 trillion Atmanirbhar Bharat package of which a combined amount of ~800 billion was disbursed by PFC and REC in FY21, and the remaining ~500 billion will be disbursed in this fiscal.

Banks continue to gain share in borrowing mix of NBFCs

Bonds, debentures remain largest source of funds for large NBFCs, while small NBFCs depend on term loans



Source: Company Reports, CRISIL Research

Large NBFCs (with loan book > Rs 500 billion) are largely dependent on bonds & debentures for their funding requirements, due to strong performance as well as market presence for these NBFCs. However, after NBFC crisis in fiscal 2019, the share of bonds in the borrowing mix has been declining and currently stood at 38% in fiscal 2021, compared to 50% in fiscal 2017.

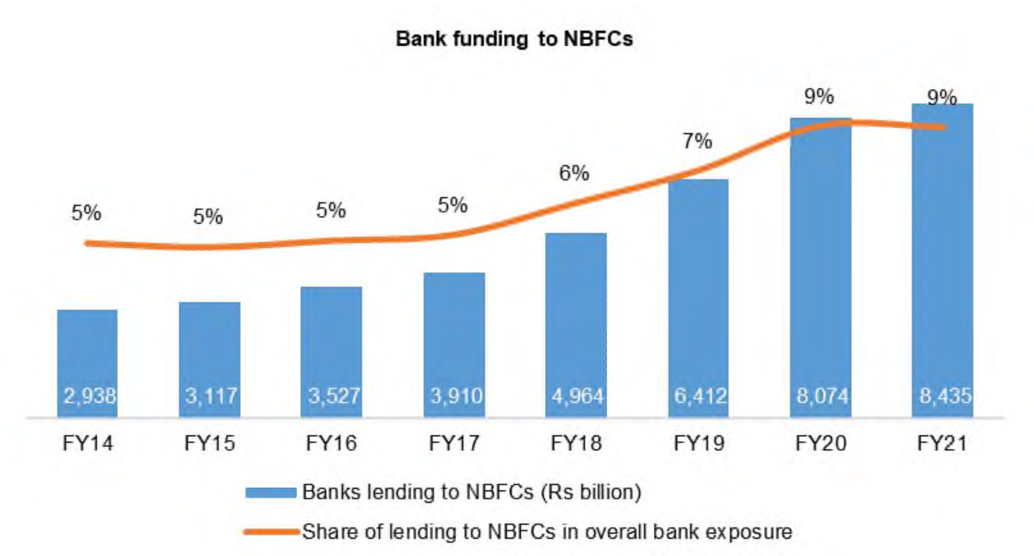
Meanwhile medium sized NBFCs and small NBFCs largely depend on term loans as their principal source of borrowing mix. In addition, majority of the small NBFCs are non-deposit taking. Share of term loans increased rapidly in small and medium NBFCs after the crisis, which hit these NBFCs the hardest, compared to large NBFCs.

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

In addition, short term borrowings from commercial paper have been reducing across all NBFCs and are being replaced by borrowings from NHB (in case of HFCs) and short term loans from banks.

Going forward, bank funding to NBFCs is expected to continue, given the higher liquidity with banks and the limited lending opportunities until growth revives. This will result in banks gaining further share in borrowing mix across all NBFCs.

Lending to NBFC gained share banks' credit exposure



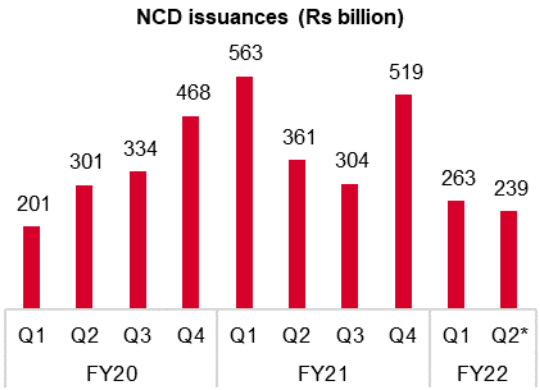
Source: Company Reports, CRISIL Research

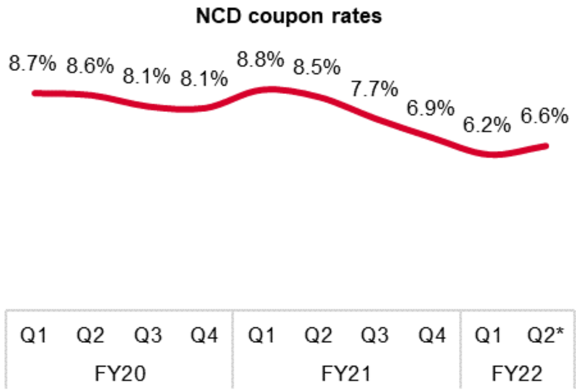
Lending to NBFCs gained share in the overall banking exposure to 9% in fiscal 2021 compared to 5% prior to fiscal 2017, where most NBFCs tapped bonds and debentures.

NCD issuances slowed down after Covid-19 second wave

NCDs raised sharply in fiscal 2021, especially in the first half due to the schemes announced following the first wave of the pandemic, such as the targeted long-term repo operations and partial credit guarantee. Even small and medium NBFCs that did not have strong parentage raised funding through the NCD route. Issuances increased by more than 33% in fiscal 2021. With reducing coupon rates and sharp revival in the economy, NCD issuances reached Rs 519 billion in Q4 of fiscal 2021.

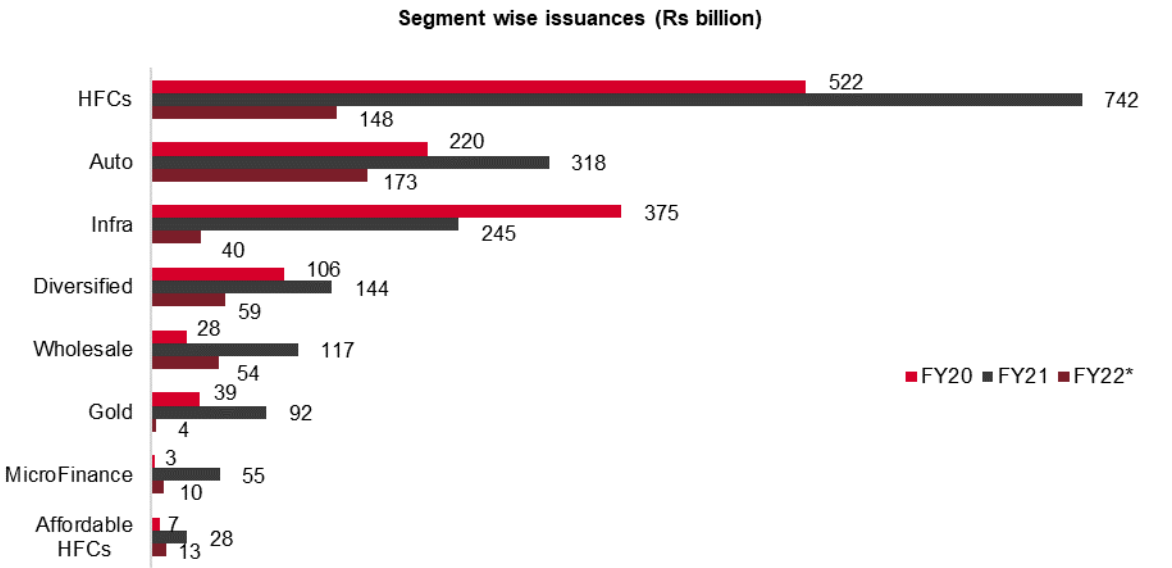
NCD issuances increased by 33% in fiscal 2021





Note: Q2 FY22 as of September 2021
Source: BSE, CRISIL Research

Retail segments led the NCD issuances in fiscal 2021



Note: Q2 FY22 as of September 2021
Source: BSE, CRISIL Research

Retail segments which performed better in fiscal 2021, despite Covid-19, were the highest in raising NCDs. Housing and Auto players like HDFC Ltd, LIC housing, Shriram Transport Finance, Bajaj Finance Ltd led the issuances. In addition, Infrastructure finance segment also raised funds led by Power Finance Corporation (PFC) and Rural Electrification Corporation (REC).

Large and medium players benefitted from lower cost of funds in fiscal 2021

RBI has effectively intervened in fiscal 2021, when the economy was hit the hardest due to Covid-19, with multiple measures like liquidity support and repo rate cuts. Till date in the current fiscal as well, the Monetary Policy Committee (MPC) has continued its accommodative stance and kept interest rates lower. With repo rate cuts, cost of funds declined by 70-80 bps for large and medium NBFCs in fiscal 2021, however smaller NBFCs were unable to gain this advantage due to risk profile of the segments and the credit rating of the company.

Historically, borrowing costs, yields and spreads varied significantly across large, medium and small NBFCs. Large NBFCs were able to attain funds at lower costs and had the ability to pass on the benefit to the customers, resulting in lower spreads. However, smaller NBFCs had to keep yields much higher than the costs due to higher credit costs they incur on a regular basis due to higher GNPAs.

In addition, credit costs increased for large players in fiscal 2021 due to higher deterioration in the wholesale segment, which led to fall in return on average assets (RoA).

Securitisation deals return, but still at half of pre-pandemic mark

Securitisation deals gained traction in June 2021 after a subdued April and May, boosting the volume for the first quarter of this fiscal by nearly three times on-year to Rs 20,000 crore. However, this was still only half of the pre-pandemic average. Volumes in the first quarter of the last fiscal were muted due to a sharp impact on collections because of moratorium and the stringent lockdown across India.

Interest in securitisation transactions was rekindled in June 2021 as the Covid-19 caseload reduced. Several transactions under discussions moved ahead and were consummated. Investors such as foreign banks, private banks, public sector banks, and mutual funds continued to mark their presence through cherry-picking of investments in securitised assets through either pass-through certificates (PTCs) or direct assignments (DAs).

While CV loans remained the main draw in asset-backed securitisation (ABS), transactions backed by gold and business loans also found favour. Cumulatively, ABS transactions comprised 47% of securitisation volume. On the other hand, mortgage-backed securitisation (MBS), accounting for 53% of volume, saw interest across private and public sector banks. Interestingly, in some transactions, HFCs invested in the assets of other HFCs.

A continuation of the traction in securitisations in the foreseeable future will be contingent on the steps taken to contain the pandemic, withdrawal of containment measures, and a pickup in business activity. Another factor impacting the securitisation volume will be the severity of asset-quality issues cropping up in issuer portfolios across asset classes.

Personal loan:

Personal loan industry to show healthy recovery in fiscal 22 after remaining subdued last fiscal

Overall personal loan book to increase by a healthy 25-30% backed by a robust 50-55% improvement in disbursement.

Personal loan book : ~6.7 trillion **Bank- 83%** **NBFC- 17%**

	CAGR (FY18-20)	FY 2021	FY22-23
Disbursement growth	38%	-11%	40-45%
Book growth	38%	16%	27-30%

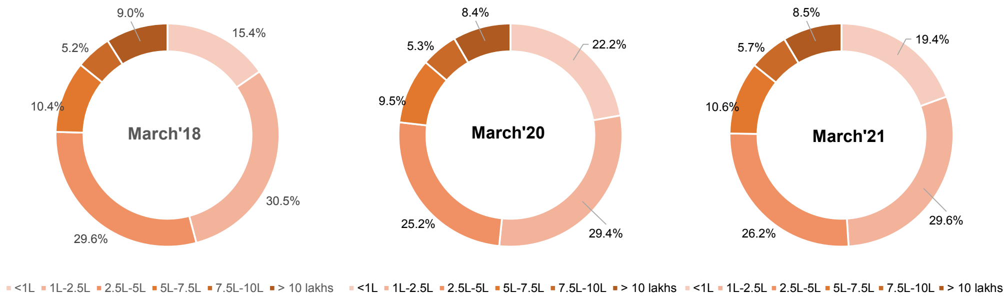
Source: CRISIL Research, Credit Bureau

Personal loan market saw signs of recovery in Q3 & Q4 of fiscal 21 before being hit by second wave of COVID in Q2 of fiscal 22. Overall personal loan book increased by ~16% in fiscal 21 while it remained almost stagnant in Q1 of fiscal 22 as disbursements dropped ~70% amidst lockdowns imposed across states. Disbursements were still higher compared to Q1 of last fiscal when a nationwide lockdown was imposed, resulting into a flattish growth. Collections saw a big impact as closures and rapid transmission of the virus led to staff not being available at branches. However, the situation since June improved swiftly as restrictions were lifted and normalcy resumed. Lenders have also started to again focus on disbursements as they had adopted a cautious approach amid the uncertainty and were only targeting collections. We expect overall personal loan book to increase by a healthy 25-30% backed by a robust 50-55% improvement in disbursement.

- Growth to revive with disbursements recovering back to pre-COVID levels
- Increasing size of small ticket loans (<1 lakh) by borrowers in lower age bracket to drive growth for NBFCs
- Rising digital penetration driven by new age Fintechs to result into further penetration of low ticket size loans
- Share of Tier II & below towns/cities constantly on a rise; higher focus of NBFCs in these areas to drive incremental growth

NBFCs and Fintech's driving ticket sizes lower

- **Share of small ticket personal loans (STPL) increasing in overall NBFC book**



Source: CRISIL Research, Credit Bureau

With the advent of Fintech's and NBFCs penetrating more to remote markets, share of small ticket size loan (STPL) is gradually increasing. STPL are loans below 1 lakh, the share of which increased from 15% in fiscal 2018 to ~20% in fiscal 21 and further to ~22% as on June 2021. NBFCs dominate the STPL segment with a share of ~65% while banks have a higher share in high ticket segment. This is also evident from the average ticket size for banks increasing to above Rs 3 lakhs while that for NBFC dropped by around 40% over last 4 years. This is mainly due to emergence of Fintech's over the last 2-3 years.

Fintech firms have been expanding in the personal loan segment rapidly by offering loans to younger, low-income- and digital-savvy customers with insufficient credit history, but with credit needs of small ticket size and smaller duration loans. The loan size offered is as low as Rs 15,000- 20,000 offered to aspirational customers looking to purchase the latest gadgets or to new customers for meeting their immediate cash needs. Fintech's, especially, are relying on use of mobile phone data as a source of customer data to assess credit score. Fintech are building advanced algorithms that analyse mobile phone data to offer specific insights into a customer's liquid cash flows as well as repayment history, along with his spending habits. Over the years, NBFCs and Fintech's have strengthened their risk management processes and data analytics capabilities. Stringent underwriting norms and monitoring mechanisms have also been reinforced. Most of the players have been investing in in risk analytics and technology to further de-risk their exposure to risk assets.

Fintech

The global fintech ecosystem

Fintech industry poised for growth

- India's fintech industry is still largely skewed towards payments. Lending is a relatively smaller segment
- Proactive regulation and government initiatives has enabled adoption and growth of fintech ecosystem. Also, COVID and lockdown has further pushed for contact less payments.

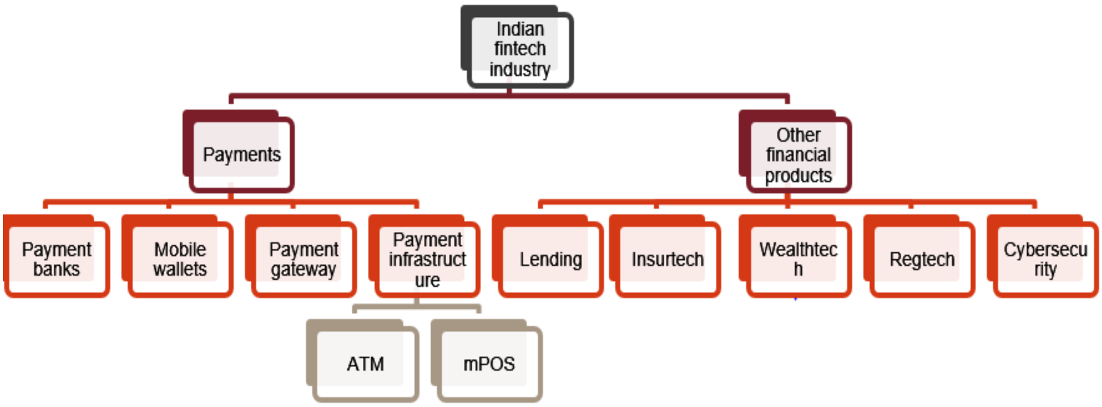
- Favorable young demographics and well penetrated wireless technology are key drivers for future growth of the fintech ecosystem
- Surging transaction volumes in the space is a strong indicator of adoption of newer technologies. Within the wireless segment, wallets continue to lose share as integrated payment offerings such as Google Pay and Amazon Pay gain ground.

Digital payment and lending

- **Indian fintech market raced ahead in COVID times- Payments leading the baton……**

  The Indian fintech market has seen the emergence of a few dominant segments by offering technology-led innovations to improve customer experience and engagement, and drive operational efficiency. It is broadly categorized into payments and other financial products which includes lending, InsureTech, WealthTech etc. Within this space, digital payments has progressed considerably while the lending space is still evolving. The demonetisation drive launched in November 2016 followed by COVID 19 have been the key drivers of exponential growth in digital transactions.

  Segment wise breakup of Indian Fintech Industry



  Source: CRISIL Research

Some of the key product innovations in the digital payment space in India include:

- **QR code:** Quick response code based payments are gaining popularity because they can be used to pay for commodities as well as services and can be scanned from both paper and screen.
- **UPI:** The launch of UPI by the NPCI has resulted in the roll-out of interoperable payment services amongst fintechs and incumbent institutions, leading to the widespread adoption of digital payments across merchants and customers
- **Contact less payment:** The near field communication (NFC) feature, coupled with magnetic secure transmission (MST) technology, allows customers to pay via their contact less credit or debit card through the 'Tap and Pay' feature on mobile applications by tapping on the POS terminal.
- **SMS-based payment:** An SMS payment link sent by a merchant is used to pay for product or services especially for services preferring advance payment for booking or reservations.

NPCI is an umbrella organisation set up by banks under the guidance of the Reserve Bank of India and is de-facto responsible for all retail payments done in India. It acts as an intermediary for processing of multiple modes of digital payments such as IMPS, UPI, Bharat Billpay, among others. These digital payment products along with the various modes discussed are built on the strong roots of the underlying digital infrastructure.

The future of payments

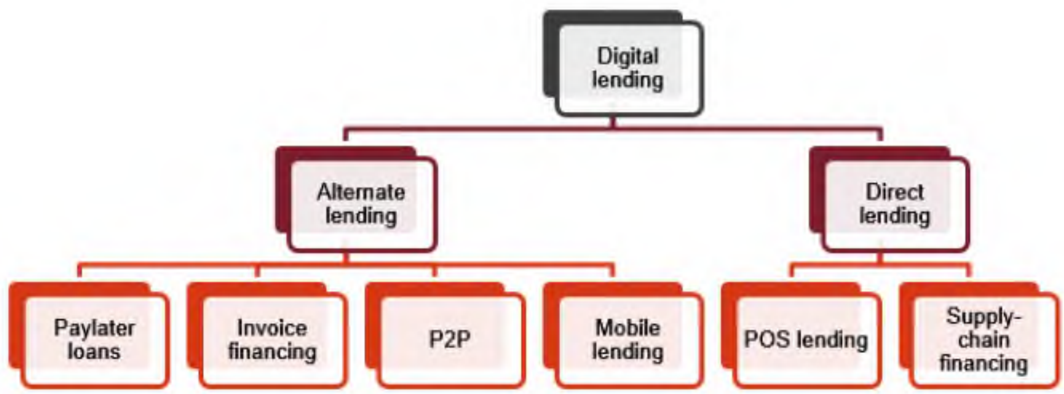
For India's digital payments to reach new heights it is imperative to have a robust backend payment infrastructure. This covers the government's initiatives such as common service centers as well as individual financial service players' internal systems. Further, a move from B2C and C2C to B2B, government to customer and customer to government could also be the next steps.

A major bottleneck for the digital payments industry is the thin margins to operate on, given the severe competition and cashback-driven market. A possible way out could be bundling digital payments with other FS products such as lending to unleash strategic synergies.

Emerging trends in digital lending

The new-age technology-driven alternate lenders use artificial intelligence (AI) and machine learning (ML) techniques to improve customer experience and compete with the traditional lending value chain. Technological advantages help incorporate alternate data for credit underwriting and adopt sophisticated risk management solutions reducing costs and improved operational efficiency. Covid-19 is an inflection point for a surge in contact-less and paper-less lending and has tracked digital transformation in the lending industry, similar to how demonetisation catapulted digital payments in India.

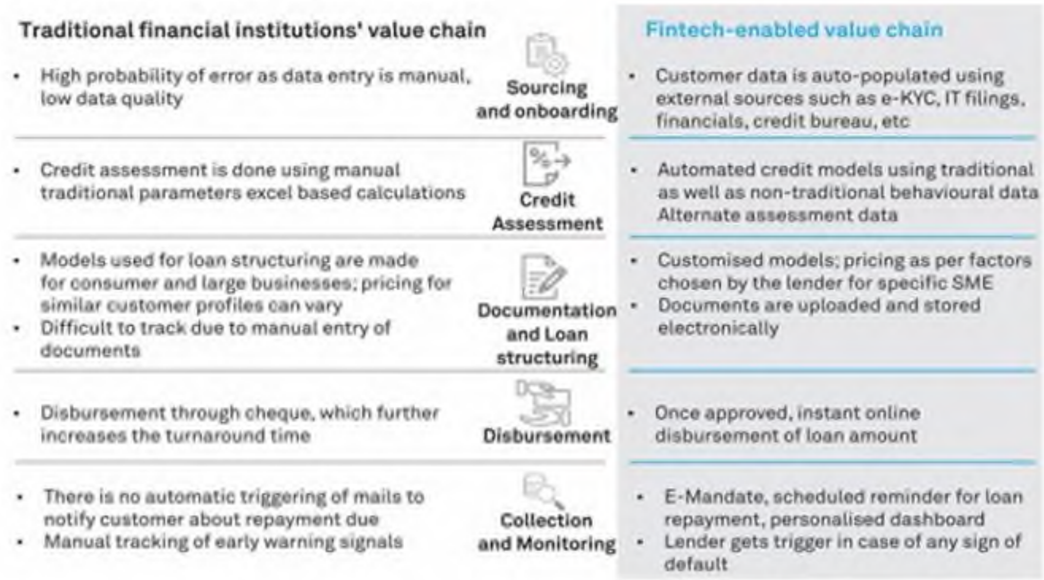
Digital lending industry in India includes 2 parts- alternate lending and digital lending:



Source: CRISIL Research

- **Direct lending** includes entities that lend their own capital, these are either registered as NBFCs or have tie up with these entities. In India, multiple direct lending models are emerging, with lending based on borrowers working capital, unsecured and short term loans.
- **Alternate lending** refers to the lending practice that happens outside a traditional banking institutions. Some non-bank lenders operate online using peer to peer model, also referred to as market place lending that connects business owners seeking capital with established investors willing to provide it. Alternative lenders have been growing rapidly, with a steady infusion of investment, both globally and in India, serving as testimony to the huge market potential this sector holds.

Traditional process surpasses the fintech-led process of SME lending



FinTech companies aggregate large amounts of data into machine learning algorithms to make a credit decision in as little as a few hours and assess the creditworthiness of the applicant. They are able to quickly and easily gather transactional data from multiple data sources. This data helps them get a clearer picture of financial stability and creditworthiness which results in enabling the deserving borrowers get easier and faster access to funds.

The Fintechs harness the power of technology through innovations:

KYC and documents: The video KYC has been permitted by the RBI which has facilitated faster loan processing. Also, there are several FinTech players offering innovative solutions for collecting bank statements, tax returns making the entire process smooth and faster.

Alternate lending score: Alternate credit scoring goes beyond the traditional parameters set by credit scoring agencies and is beneficial especially to ones who are new to credit. Since there is no sufficient data available to assess their creditworthiness, the traditional lenders simply reject their loan applications. But, FinTech companies use alternate credit scoring mechanism to assess the potential consumer's digital footprints to determine the creditworthiness. This may include data collected from electricity and telephone providers and also financial services like insurance players and the mutual fund industry. Various data points from mobile phones are accessed such as spending and transaction data, top up details, travel history, e commerce transaction details, wallet spend etc. Because alternate credit scoring mechanism taps into a wider spread of information, the credit scores are more holistic in nature.

Social Media: Tracing digital footprints on social media gives an accurate picture of the characteristics, behavior, background, integrity, hobbies, aspirations, likes, etc. about a borrower. This information is good enough data to determine the borrower's intentions and ability to repay the loan.

With the help of the above mentioned tools, Fintechs are able to accurately evaluate the credit worthiness of the applicants. These FinTech startups have successfully surpassed the traditional method of lending to provide faster, cheaper, and flexible personal loans.

The alternative way forward

On the back of the expanding financial inclusion, alternative lending is expected to see continuing uptrend. The major challenge, however, is of data privacy given the use of non-traditional data points for credit underwriting processes. These also possess heavy reliance on AI and ML algorithms, possibly running a risk of model biases. From a growth perspective, the MSME sector is expected to gain prominence to serve a wider customer and information base.

Favorable demographics is another major factor contributing to the growth

According to TRAI subscription report for March-21, India's wireless broadband subscriber base stands at ~756 million, of which around 710-715 million are expected to be on 4G networks (and remaining on 3G). This leaves around 400 million subscribers as non-data users constituting over 35% of wireless subscriber base. Of this 400 million, around 250-300 million are expected to be active 2G subscribers from rural regions using legacy feature phones who the telcos are likely to focus on retaining/upgrading going forward.

Also nearly 70% of the active internet population in India are daily users. Nine out of 10 internet users in urban India access internet at least once a week.

Proactive regulatory support

The government and regulators have been pushing for a cash less-economy ever since demonitisation in November 2016. The fintech industry has been equally supportive by technological innovations. Also, the government has been involved by way of its targeted regulatory policies. While demonitisation indirectly pushed forward the digital transformation, initiatives such as Digital India, Pradhan Mantri Jan Dhan Yojana (PMJDY), mandatory electronic payment for businesses with turnover above Rs 50 crore and several others have contributed to the industry’s growth.

The Reserve Bank has announced the opening of first cohort under the Regulatory Sandbox (RS) with ‘Retail Payments’, as its theme. The adoption of ‘Retail Payments’ as the theme is expected to spur innovation in digital payments space and help in offering payment services to the unserved and underserved segment of the population. Testing of products under the RBI's regulatory sandbox, which was delayed on account of COVID-19 pandemic, has commenced, with two entities starting the 'test phase' with their products.

In addition to this, The RBI in October 2017 issued directions for NBFCs that operate P2P lending platforms, according to which no NBFC can start or carry on the P2P business without obtaining a certificate of registration, along with other mandatory requirements for registration.

Rgulation/ development/ incentive	Summary
Sandbox	A regulatory sandbox is a framework that allows for live-testing of new products or services in a controlled environment. Sandboxes can test the product's viability without the need for a larger and more expensive rollout. If the product appears to have the potential to be successful, the product might then be authorised and brought to the broader market more quickly. Finally, if concerns are unearthed while the product is in sandbox, appropriate modifications can be made before the product is launched more broadly
P2P lending	P2P lending is a form of crowd funding used to raise loans that are paid back with interest by bringing together people who need to borrow, from those who need to invest. It can be defined as the use of online platform that matches lenders with borrowers to provide unsecured loans.

Other government support includes

Know-your-customer (KYC) reforms	- Video-based KYC as an option to establish customers' identity - Non-compliant KYC accounts to continue making payments through mobile wallets
Driving financial inclusion	Initiatives such as GST, PMJDY
Digital India	Initiative to push financial digital literacy
Promoting innovation and competition in the industry	Initiatives such as Startup India, licence for payment banks
Enhancing public awareness on digital payments fraud and scam via campaign through multiple channels	All authorised payment system operators are advised to undertake targeted multi-linual campaigns by way of SMS, advertisment in print, visual media, etc to educate users on safe and secure use of digital payments

Government initiative towards banking the unbanked population through PMJDY scheme has led to increased bank account penetration and connecting with rural India through the digital medium

Powered by the drive to mobilize account ownership among unbanked adults through the PMJDY, the proportion of persons joining the formal financial system by opening an account in a financial institution has more than doubled over 2011-2017. As of 2020, 86% of the country's population has a bank account.

Challenges faced by the Fintech Industry pertains mainly to the Security concerns

With the fast-growing technological advancements, cybercrime has become more sophisticated than ever. The onus is on fintech players and their partners to ensure that sufficient digital controls are in place to secure customers' trust. Market regulators are struggling to balance consumer needs of data security and data privacy with the industry's need for open data for insight generation. While ensuring data privacy is critical to safeguarding consumers' trust in the FS space, a hardline approach on data sharing has the potential to hamper the free flow of data crucial for creating innovative solutions.

By adopting global best practices such as real-time system health monitoring and deploying advanced security features, cloud providers can assist FS players in securing their customer data and mitigating risks. Despite the myriad benefits of cloud technologies for FS players, some key challenges such as data security, data protection and regulatory compliance remain. For instance, there is some apprehension in the FS industry about transferring key business and user data to public clouds, fearing a compromise on the cloud's security. In addition, there are regulatory restrictions in some countries for transferring customer data to the pubic cloud. A hybrid cloud adoption approach with a private cloud server for storing sensitive data and public cloud for non-sensitive data is emerging to address such issues. Going forward, as digitalisation gathers pace, the potential benefits of the cloud would be far greater for organisations to ignore, making it critical for them to promptly act on their cloud strategies.

Few other challenges includes managing regulatory uncertainties, re skilling people for the digital world etc.

Way forward

India has emerged as the fastest growing major economy in the world and an attractive investment hub. The achievement is a result of constructive economic reforms and a growing consumer base. The highly prospering financial sector in the country offers a huge potential for upcoming fintech players. The growth projection is based on progressive infrastructural reforms and proactive government policies.

COVID -19 has been a silver lining in many ways for acceptability of fintech world especially payments in India. The key factor that served as the barrier towards the growth was the density of the existing payment infrastructure. Also, individuals were inclined to consider digital payments in lieu of prevention to access their funds physically.

Having said that, the Indian Fintech ecosystem is on the cusp of a growth spurt with the government's bold and consistent initiatives to expand financial inclusion. However, there are a few potential concerns which may require focus before moving forward. These include data privacy, increasing reliance of AI and ML and consumer consent.

Credit card penetration in India

Based on an earnings update issued by Dhani Services Limited, the total working population in India is estimated to comprise approximately 750 million people. From the total working population, it is estimated that approximately 500 million people are registered with credit bureaus. From the people who are registered with credit bureaus, it is further estimated that there are approximately 60 million credit card users in India. Accordingly, it has been estimated that the market for the Dhani OneFreedom Card is approximately 440 million people.

OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 17 for a discussion of the risks and uncertainties related to such statements and also "Risk Factors" on page 19 for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the 12 months ended March 31 of that year. Unless otherwise indicated, the financial information included herein is based on the Reformatted Financial Statements as at and for Fiscals 2021, 2020 and 2019, our six-months Unaudited Interim Financial Statements as at and for the six months ended September 30, 2021. For further information, see "Financial Statements" on page 186.

Unless otherwise indicated, industry and market data used in the context of NBFCs in this section has been derived from the CRISIL Report prepared and issued by CRISIL.

In this section, unless the context otherwise requires, a reference to "our Company" is a reference to Dhani Loans and Services Limited on a standalone basis, while any reference to "we", "us" or "our" is a reference to Dhani Loans and Services Limited on a consolidated basis.

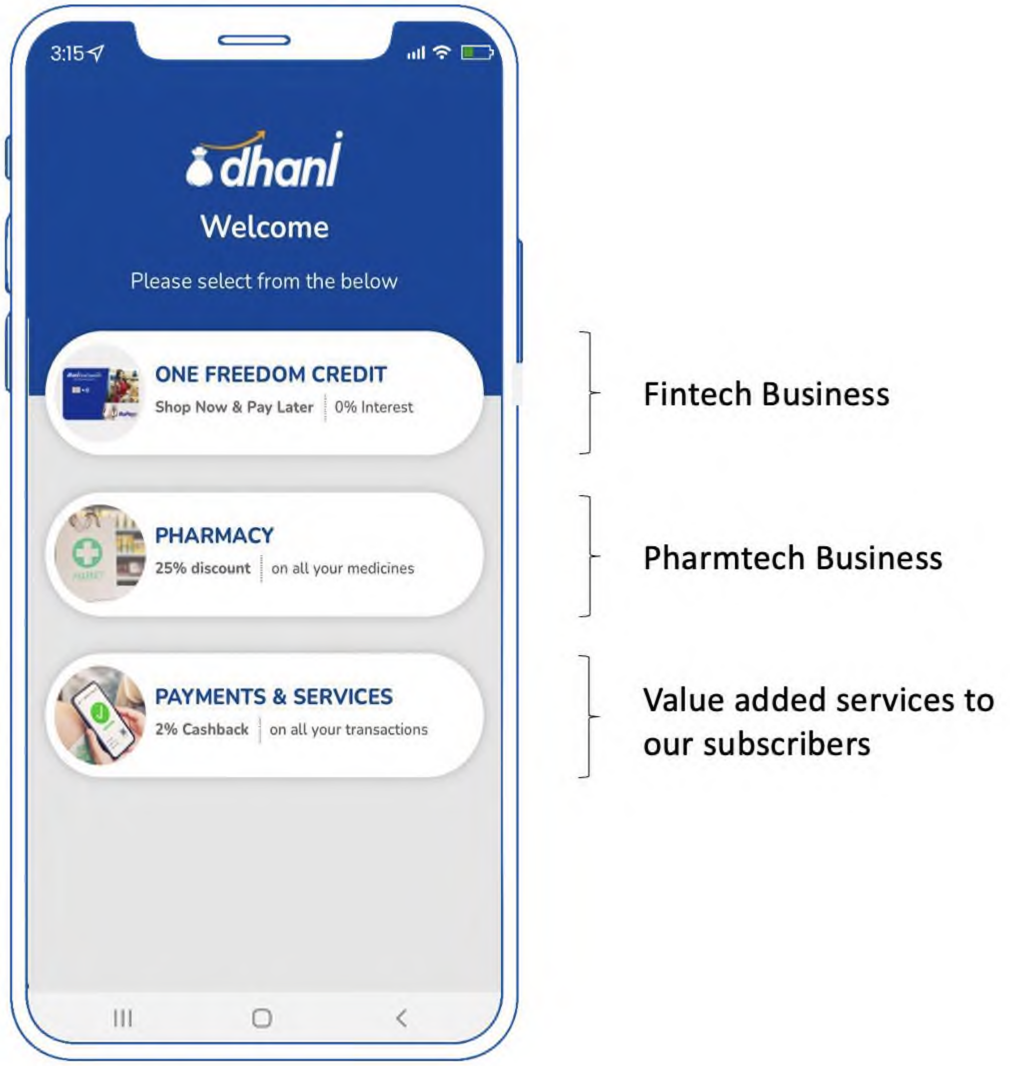
Overview

Our Company is a non-deposit taking systemically important NBFC registered with the RBI and a 100% subsidiary of Dhani Services Limited (formerly Indiabulls Ventures Limited), a listed Indian company.

We provide transaction finance to our customers through an array of product offerings on the Dhani App and also provide personal loans, secured and unsecured business loans to individual and corporates.

We are part of the Dhani group. Our Promoter, Dhani Services Limited (formerly Indiabulls Ventures Limited) is a consumer business that provides digital healthcare and digital transactional finance to its customers. Dhani Services Limited (formerly Indiabulls Ventures Limited) was incorporated in 1995.

Dhani Services Limited is a consumer business that operates its mobile application "Dhani" ("**Dhani App**") through which it provides digital healthcare and digital transactional finance to its' customers. Growing from a personal finance business to now offering a range of products across both healthcare and financial services, we believe that Dhani Services Limited has continually prioritized the need to design offerings made for current market environment while continuously analysing the need for new products as the market evolves. Set out below is an image representing the services offered by Dhani Services Limited through the Dhani App.



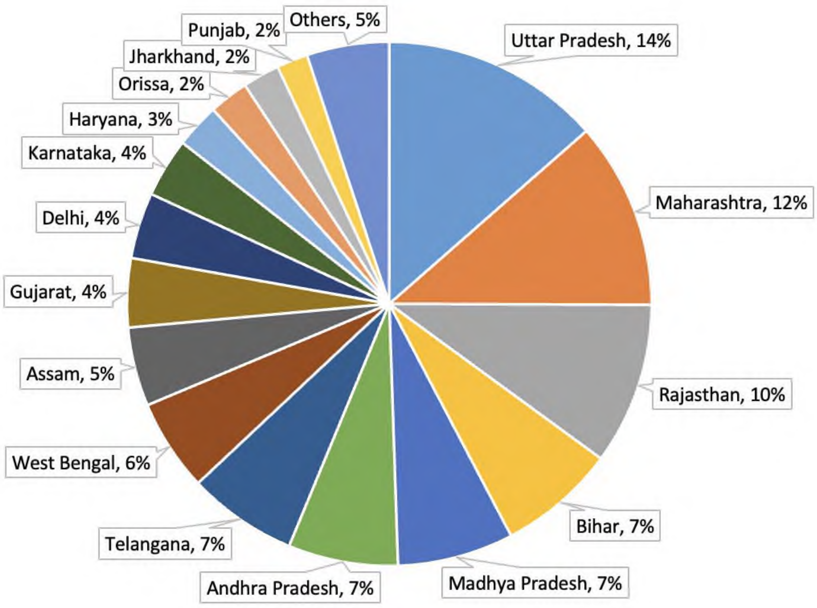
While Dhani Healthcare Limited, a subsidiary of Dhani Services Limited, undertakes the digital healthcare business for Dhani Services Limited, the digital transaction finance business is undertaken by us.

On the financial services front, customers can use the Dhani App to choose from a suite of products to help manage their financial needs on a daily basis. This includes managing all payments through the "Dhani Card" or "Dhani Wallet"; and access to personal finance through "Dhani Credit Line", for securing our customers and their families with personal and medical insurance, and for stock broking solutions.

Dhani OneFreedom Card

We believe that our Dhani OneFreedom Card is useful for customers as it is issued instantly upon application and serves as a convenient method to undertake everyday transactions, particularly for customers who may not have credit cards. We provide both digital and physical cards which are currently accepted by over 10 million merchants.

A state-wise classification of the subscribers to the Dhani OneFreedom Card has been set out below.



As at September 30, 2021, we had approximately 1.32 million subscribers to the Dhani OneFreedom Card in over 900 cities and towns across India.

A chart representing the number of subscribers to the Dhani OneFreedom Card has been set out below:

The healthcare services on the Dhani App are undertaken by Dhani Healthcare Limited, a subsidiary of Dhani Services Limited, wherein customers are provided with access to doctors over instant video calls through "Dhani Doctor". "Dhani Doctor" is supplemented with "Dhani Medicines", which is aimed at delivering medicines to customers at their door-step.

As at September 30, 2021, our Company has 133 branches and has disbursed loans to customers in over 900 cities in India through the Dhani App, enabling us to operate on a pan-India basis. Further, our Company has over 14,000 employees as at September 30, 2021.

We are a subscription-based technology company, operating in the transaction finance that is targeted toward a large and underserved population in India, offering them convenient daily transaction capabilities, with credit limits determined by an algorithm, based on their credit history on the digital platform. Our technology platform simply provides subscribers with access to credit, allowing them to carry out financial and payment transactions through the Rupay interface.

We believe, the Company is adequately capitalized and will continue operating with a focus to increase its customer franchise and at the same time operate at conservative gearing levels.

We have obtained a long-term credit rating of "IVR AA : Stable Outlook" from Infomerics for our bank facilities. These ratings signify a high degree of safety, regarding timely servicing of financial obligations and low credit risk. We have also received a rating of BWR AA/Stable from Brickwork Ratings for long term debt instruments/bank facilities & BWR A1+ for short term/ commercial papers. We have a long-term credit rating of "CARE A (CWD)" (under credit watch with developing implications) long-term debt instruments and bank facilities from CARE Ratings.

On a standalone basis, the loan book was ₹ 106,330.06 million as at March 31, 2019 and ₹ 41,603.77 million as at March 31, 2021. As on September 30, 2021 our loan book on a standalone basis amounted to ₹ 34,555.07 million.

We believe, the Company is adequately capitalized and will continue operating with a focus to increase its customer franchise and at the same time operate at conservative gearing levels.

Our borrowings on a standalone basis, as at September 30, 2021 and March 31, 2021 amounted to ₹ 17,583.94 million and ₹ 31,585.37 million, respectively. We rely on long-term and medium-term borrowings from banks; amongst others, including issuances of non-convertible debentures. We have a diversified lender base comprising public sector undertakings ("**PSUs**"), private banks, mutual funds, provident funds and others. We also sell down parts of our portfolios through securitization and/or direct assignment of loan receivables to various banks or mutual funds.

As at March 31, 2021, our gross NPAs as a percentage of our loan book was 10.26%, and our net NPAs as a percentage of our loan book was 2.50%. As of September 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019, our capital to risk (weighted) assets ratio was 61.79.%, 58.24%, 58.92% and 37.70%, respectively.

Our consolidated revenue from operations decreased from ₹ 17,679.82 million in Fiscal 2019 to ₹ 11,491.44 million in the Fiscal 2021 at a CAGR of (19.38) %. We incurred a loss after tax of ₹ 1158.26 million in Fiscal 2021 as compared to a loss after tax of ₹ 374.27 million in the Fiscal 2020 and a profit after tax of ₹ 3,845.16 million in Fiscal 2019. For the six month period ending September 30, 2021, our total income was ₹ 3,837.22 million and our loss after tax for the period was ₹ 3,225.63 million

Our key operating and financial metrics (on a consolidated basis) as at March 31, 2021, 2020 and 2019 are as follows:

Parameters	(₹ in million unless otherwise stated) As at and for the year ended March 31,		
	2019	**2020**	**2021**
Balance Sheet			
Property, plant and equipment and other intangible assets	932.64	1,686.71	1,427.25
Investments	5,854.69	5,875.40	13,810.47
Cash and cash equivalents	9,496.89	19,909.14	10,140.84
Financial assets (excluding Cash and cash equivalents and Investments) (1)	119,204.07	62,341.66	49,736.94
Non-financial assets (excluding Property, plant and equipment and other intangible assets) (2)	2,519.11	7,468.86	7,992.07
Total Assets	**138,007.40**	**97,281.77**	**83,107.57**
Debt Securities	17,389.62	8,042.78	7,706.03
Borrowings (other than Debt Securities)	70,232.55	40,504.71	27,405.83
Subordinated liabilities	-	-	-
Financial liabilities (excluding Debt Securities, Borrowings (other than Debt Securities) and Subordinated liabilities)(3)	5,121.53	5,255.68	6,648.36
Current tax liabilities (net)	-	-	3.80
Provisions	359.94	268.46	229.36
Other Non-Financial Liabilities	426.97	616.39	183.60
Equity (equity share capital, other equity and non controlling interests)	44,476.79	42,593.75	40,930.59
Total liabilities and equity	**138,007.40**	**97,281.77**	**83,107.57**
Statement of Profit and Loss			
Total revenue from operations	17,679.82	26,790.26	11,491.44
Other income	72.47	46.55	275.50
Total Expenses	12,505.47	27,418.45	13,015.89
Profit for the year attributable to the Shareholders of the Company	3,845.16	(414.77)	(1,115.91)
Profit for the year to Non-controlling Interest	-	40.50	(42.35)
Other Comprehensive Income/(loss) to the Shareholders of the Company	(6.57)	73.06	18.77
Other Comprehensive Income/(loss) to Non-controlling Interest	-	1.30	-

Parameters	(₹ in million unless otherwise stated) As at and for the year ended March 31,		
	2019	2020	2021
Total Comprehensive Income for the Year	3,838.59	(299.91)	(1,139.49)
Earnings per equity share			
Basic (₹)	76.37	(6.78)	(18.24)
Diluted (₹)	68.85	(6.78)	(18.24)
Cash Flow			
Net Cash from operating activities (A)	(71,050.41)	55,242.16	12,144.18
Net Cash from / (used in) investing activities (B)	504.80	(2,737.47)	(8,051.36)
Net Cash (used in) financing activities (C)	70,618.32	(33,930.68)	(13,852.88)
Net (Decrease)/ Increase in cash and cash equivalents (D=A+B+C)	72.71	18,574.01	(9,760.06)
Cash and cash equivalents at the beginning of the year (E)	1,254.18	1,326.89	19,900.90
Cash and cash equivalents at the end of the year (D + E)	1,326.89	19,900.90	10,140.84
Additional Information			
Networth(4)	44,353.72	40,934.06	39,484.97
Assets Under Management	106,477.53	53,282.67	45,290.26
Interest Income (Including Treasury Income)#	15,585.22	24,892.70	9,761.44
Finance Costs	6,280.17	8,577.26	4,585.00
Impairment on financial instruments	1,035.06	8,964.98	1,841.20
Gross NPA (%) **	0.79%	1.71%	9.43%
Net NPA (%) ***	0.25%	0.66%	2.28%
CRAR - Tier I Capital (%)-Standalone##	37.12%	52.66%	58.24%
CRAR - Tier II Capital (%)-Standalone##	0.58%	6.27%	0.00%
Off Balance Sheet Assets-Loans Assigned	5,947.25	49,167.19	28,209.43
Total Debts to Total assets (5)	63.49%	49.90%	42.25%
Interest coverage ratio (Earnings before Interest and Tax / Interest Expense)	1.84	0.93	0.73

Notes:

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

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

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

(4) Net Worth –has been computed as per Companies Act, 2013.

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

***Gross NPA% = Gross NPA/(Assets Under Management).*

****Net NPA% = (Gross NPAs less provisions for ECL on NPAs)/(Assets Under Management).*

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

Computed in accordance with the RBI Master Directions.

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

Our key operating and financial metrics (on a consolidated basis) as at September 30, 2021 are as follows:

Parameters	**(₹ in million unless otherwise stated)** **As at and for the six months ended September 30, 2021**
Balance Sheet	
Property, plant and equipment and other intangible assets	1,381.67
Investments	4,177.80
Cash and cash equivalents	4,181.24
Financial assets (excluding Cash and cash equivalents and Investments) (1)	45,370.97
Non- financial assets (excluding Property, plant and equipment and other intangible assets) (2)	10,625.45
Total Assets	65,737.13
Debt Securities	3,565.15
Borrowings (other than Debt Securities)	17,043.80
Subordinated liabilities	-
Financial liabilities (excluding Debt Securities, Borrowings (other than Debt Securities) and Subordinated liabilities) (3)	6,655.46
Current tax liabilities (net)	4.40
Provisions	287.20
Other Non-Financial Liabilities	-
Equity (equity share capital, other equity and non-controlling interests)	226.47
Total liabilities and equity	37,954.65
Statement of Profit and Loss	
Total revenue from operations	3,752.14
Other income	85.08
Total Expenses	8,087.18

Parameters	(₹ in million unless otherwise stated) As at and for the six months ended September 30, 2021
Profit for the Period	(3,225.63)
Other Comprehensive income / (loss) (Net of tax)	(51.07)
Total Comprehensive Income (after tax)	(3,276.70)
Earnings per equity share	
Basic (₹)	(52.60)
Diluted (₹)	(52.60)
Cash Flow	
Net cash from / (used in) operating activities (A)	(1,273.71)
Net cash from investing activities (B)	9,981.96
Net cash used in financing activities (C)	(14,667.85)
Net Decrease in cash and cash equivalents (D=A+B+C)	(5,959.60)
Cash and cash equivalents at the beginning of the period (E)	10,140.84
Cash and cash equivalents at the end of the period (D + E)	4,181.24
Additional information	
Networth(4)	36,516.38
Assets Under Management	38,065.80
Off Balance Sheet Assets-Loans Assigned	21,110.97
Total Debts to Total assets(5)	31.35%
Interest Income (Including Treasury Income)#	2,093.11
Finance Costs	1,458.34
Interest Coverage Ratios (Earnings before Interest and Tax / Interest Expense)	-1.91
Impairment on financial instruments	2,673.24
Bad Debts to Loan Assets	1.71%
Gross NPA (%)**	3.07%
Net NPA (%)***	1.71%
CRAR - Tier I Capital (%)-Standalone##	61.79%
CRAR - Tier II Capital (%)-Standalone##	0.00%

Notes:

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

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

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

(4) Net Worth has been computed as per Companies Act, 2013.

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

*** Gross NPA% = Gross NPA/ (Assets Under Management).*

**** Net NPA% = (Gross NPAs less provisions for ECL on NPAs)/(Assets Under Management).*

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

Computed in accordance with the RBI Master Directions.

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

Our key operating and financial metrics (on a standalone basis) as at March 31, 2021, 2020 and 2019 are as follows:

	(₹ in million unless otherwise stated) As at and for the year ended March 31,		
Parameters	**FY 2019**	**FY 2020**	**FY 2021**
Balance Sheet			
Property, plant and equipment and other intangible assets	852.43	1,173.06	1,085.89
Investments	5,766.34	19,399.15	24,094.04
Cash and cash equivalents	9,307.85	19,668.69	9,961.43
Financial assets (excluding Cash and cash equivalents and Investments) [(1)]	107,014.15	50,395.29	40,477.64
Non-financial assets (excluding Property, plant and equipment and other intangible assets) [(2)]	1,636.62	4,801.92	3,941.47
Total Assets	124,577.39	95,438.11	79,560.47
Debt Securities	17,389.62	8,042.78	7,706.03
Borrowings (other than Debt Securities)	58,362.10	39,699.95	23,879.34
Subordinated liabilities	-	-	-
Financial liabilities (excluding Debt Securities, Borrowings (other than Debt Securities) and Subordinated liabilities) [(3)]	4,785.45	4,637.45	5,868.20
Current tax liabilities (net)	-	-	-
Provisions	106.75	244.14	214.44
Deferred tax liabilities (net)	-	-	-
Other Non-Financial Liabilities	252.18	436.41	135.67
Equity (equity share capital and other equity)	43,681.29	42,377.38	41,756.79
Total liabilities and equity	124,577.39	95,438.11	79,560.47
Statement of Profit and Loss			
Total revenue from operations	16,480.59	25,168.75	10,151.81
Other income	19.61	-	476.87
Total Expenses	11,166.24	24,672.65	11,326.68
Profit for the Year	4,001.94	542.54	(540.97)
Other Comprehensive (loss)	(2.90)	72.83	15.15

Parameters	(₹ in million unless otherwise stated) As at and for the year ended March 31,		
	FY 2019	FY 2020	FY 2021
Total Comprehensive Income for the Year	3,999.04	615.37	(525.82)
Earnings per equity share			
Basic (₹)	79.49	8.87	(8.84)
Diluted (₹)	71.66	8.87	(8.84)
Cash Flow			
Net cash flow from operating activities (A)	(64,215.41)	55,349.09	11,427.90
Net cash flow from / (used in) investing activities (B)	(2,292.17)	(14,060.24)	(4,460.99)
Net cash (used in) financing activities (C)	66,991.88	(30,928.01)	(16,674.18)
Net (Decrease) / Increase in cash and cash equivalents (D=A+B+C)	484.30	10,360.84	(9,707.27)
Cash and cash equivalents at the beginning of the year (E)	8,823.55	9,307.85	19,668.69
Cash and cash equivalents at the end of the year (D + E)	9,307.85	19,668.69	9,961.43
Additional information			
Net worth(4)	43,558.72	42,240.64	41,610.67
Assets Under Management	106,330.06	47,092.47	41,603.77
Interest Income (Including Treasury Income)#	15,297.28	24,254.89	9,315.45
Finance Costs	5,594.78	7,396.61	4,359.09
Impairment on financial instruments	1,030.13	8,162.52	1,539.34
Gross NPA (%)**	0.79%	1.93%	10.26%
Net NPA (%)***	0.25%	0.74%	2.50%
CRAR - Tier I Capital (%)-Standalone##	37.12%	52.66%	58.24%
CRAR - Tier II Capital (%)-Standalone##	0.58%	6.27%	0.00%
Off Balance Sheet Assets-Loans Assigned	5,947.26	49,167.18	28,209.43
Total Debts to Total assets(5)	60.81%	50.02%	39.70%
Interest coverage ratio (Earnings before Interest and Tax / Interest Expense)	1.95	1.07	0.84
Bad Debts to Loan Assets	0.00%	8.66%	4.95%

Notes:

(1) Financial assets (excluding Cash and cash equivalents and Investments) = Bank balance other than Cash and cash equivalents + Derivative financial instruments + Receivables + Loans + Other financial assets. (2) Non-financial assets (excluding property, plant and equipment and other intangible assets) = Current tax assets (net) + Deferred tax assets (net) + Right-of-use assets + Other Non-financial assets + Assets held for Sale

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

(4) Net Worth has been computed as per Companies Act, 2013

***Gross NPA% = Gross NPA/(Assets Under Management).*

****Net NPA% = (Gross NPAs less provisions for ECL on NPAs)/(Assets Under Management).*

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

Computed in accordance with the RBI Master Directions.

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

Our key operating and financial metrics (on a standalone basis) as at September 30, 2021 are as follows:

Parameters	(₹ in million unless otherwise stated) As at and for the six months ended September 30, 2021
Balance Sheet	
Property, plant and equipment and other intangible assets	1,121.19
Investments	14,462.57
Cash and cash equivalents	3,476.47
Financial assets (excluding Cash and cash equivalents and Investments) (1)	35,920.38
Non- financial assets (excluding Property, plant and equipment and other intangible assets) (2)	7,021.14
Total Assets	62,001.75
Debt Securities	3,565.15
Borrowings (other than Debt Securities)	14,018.79
Subordinated liabilities	-
Financial liabilities (excluding Debt Securities, Borrowings (other than Debt Securities) and Subordinated liabilities) (3)	4,677.76
Current tax liabilities (net)	-
Provisions	268.26
Deferred tax liabilities (net)	-
Other Non-Financial Liabilities	213.24
Equity (equity share capital and other equity)	39,258.55
Total liabilities and equity	62,001.75
Statement of Profit and Loss	
Total revenue from operations	2,673.58
Other income	93.35
Total Expenses	6,426.86
Profit for the Period	(2,708.31)
Other Comprehensive income / (loss) (Net of tax)	-47.99
Total Comprehensive Income (after tax)	(2,756.30)
Earnings per share (EPS)	
Basic (Amount in Rs.)	(44.26)
Diluted (Amount in Rs.)	(44.26)
Cash Flow	
Net Cash flow from operations (A)	(1,893.64)
Net cash flow from investing activities (B)	9,574.27
Net cash used in financing activities (C)	(14,165.59)
Net Decrease in cash and cash equivalents (D=A+B+C)	(6,484.96)
Cash and cash equivalents at the beginning of the period (E)	9,961.43
Cash and cash equivalents at the end of the period (D + E)	3,476.47
Additional information	
Networth(4)	39,112.43

Parameters	(₹ in million unless otherwise stated) As at and for the six months ended September 30, 2021
Assets Under Management	34,555.07
Off Balance Sheet Assets-Loans Assigned	21,111.09
Total Debts to Total assets(5)	28.36%
Interest Income (Including Treasury Income)#	1,850.79
Finance Costs	1,315.09
Interest Coverage Ratios (Earnings before Interest and Tax / Interest Expense)	(1.78)
Impairment on financial instruments	1,860.02
Bad Debts to Loan Assets	1.89%
Gross NPA (%)**	3.38%
Net NPA (%)***	1.89%
CRAR - Tier I Capital (%)-Standalone##	61.79%
CRAR - Tier II Capital (%)-Standalone##	-

Notes:

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

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

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

(4) Net Worth has been computed as per Companies Act, 2013.

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

*** Gross NPA% = Gross NPA/(Loan Book).*

**** Net NPA% = (Gross NPAs less provisions for ECL on NPAs)/(Loan Book).*

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

Computed in accordance with the RBI Master Directions.

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

Our Company's Evolution

Our Company was incorporated as 'Malpani Securities Private Limited', a private limited company under the provisions of the Companies Act, 1956, pursuant to a certificate of incorporation dated October 27, 1994 issued by the RoC. Subsequently, the name of our Company was changed to 'Shivshakti Financial Services Private Limited' pursuant to a fresh certificate of incorporation dated January 13, 2010. This change in name was carried out by the erstwhile promoters of our Company prior to the acquisition of our Company by Dhani Services Limited (formerly Indiabulls Ventures Limited) in the year 2013. Our Company was subsequently converted to a public limited company pursuant to a resolution passed in the extra-ordinary general meeting of our shareholders held on October 07, 2014 and a fresh certificate of incorporation issued by the RoC on February 05, 2015. As a result of such conversion, the name of our Company was changed from 'Shivshakti Financial Services Private Limited' to 'Shivshakti Financial Services Limited'. Thereafter, the name of our Company was changed to 'IVL Finance Limited' pursuant to a fresh certificate of incorporation dated October 19, 2016.

After our Company commenced its MSME and consumer lending business we had made an application to the RBI for change in name from 'IVL Finance Limited' to 'Indiabulls Consumer Finance Limited' after which the name of our Company was changed to 'Indiabulls Consumer Finance Limited' pursuant to a fresh certificate of incorporation dated September 18, 2018.

Thereafter, upon commencement of our digital business operations through our mobile based application, "Dhani", the name of our Company was changed to 'Dhani Loans and Services Limited' and a fresh certificate of incorporation, consequent upon change of name was issued by the RoC on July 7, 2020.

We received a certificate of registration from the RBI to carry on the business of a NBFC without accepting public deposit on May 30, 1998 having registration number B-14.00909. Subsequently, we were issued a fresh certificate of registration having registration number B-14.00909 dated April 12, 2010 in lieu of the earlier certificate, due to change in name of our Company. Upon conversion of our Company from a private limited company to public limited company, we were issued a fresh certificate of registration having registration number B-14.00909 dated March 19, 2015 in lieu of the earlier certificate. Further, upon change of name of our Company from 'Shivshakti Financial Services Limited' to 'IVL Finance Limited', we received a new certificate of registration bearing registration number B-14.00909 dated December 13, 2016. Subsequently, upon change of name of our Company from 'IVL Finance Limited' to 'Indiabulls Consumer Finance Limited', we received a new certificate of registration bearing registration number B-14.00909 dated November 02, 2018. Subsequently, upon change of name of our Company from 'Indiabulls Consumer Finance Limited' to 'Dhani Loans and Services Limited', we received a new certificate of registration bearing registration number B-14.00909 dated August 21, 2020. We currently operate under the "Dhani" brand name. The Company has recently forayed into transaction financing.

Our Company has the following subsidiaries:

- Transerv Limited (formerly known as Transerv Private Limited) ("**Transerv**"):

  Transerv has been authorized by the RBI under the Payment and Settlement Systems Act, 2007, as amended, to issue and operate semi-closed prepaid payment instruments, pursuant to which Transerv operates a wallet service under the brand 'Dhani Pay'. It is also authorised to issue digital and physical Rupay Cards for its customers.

- Indiabulls Investment Advisors Limited ("**IIAL**"):

  IIAL is engaged in marketing of non-discretionary wealth management products.

- Indiabulls Distribution Service Limited ("**IDSL**"):

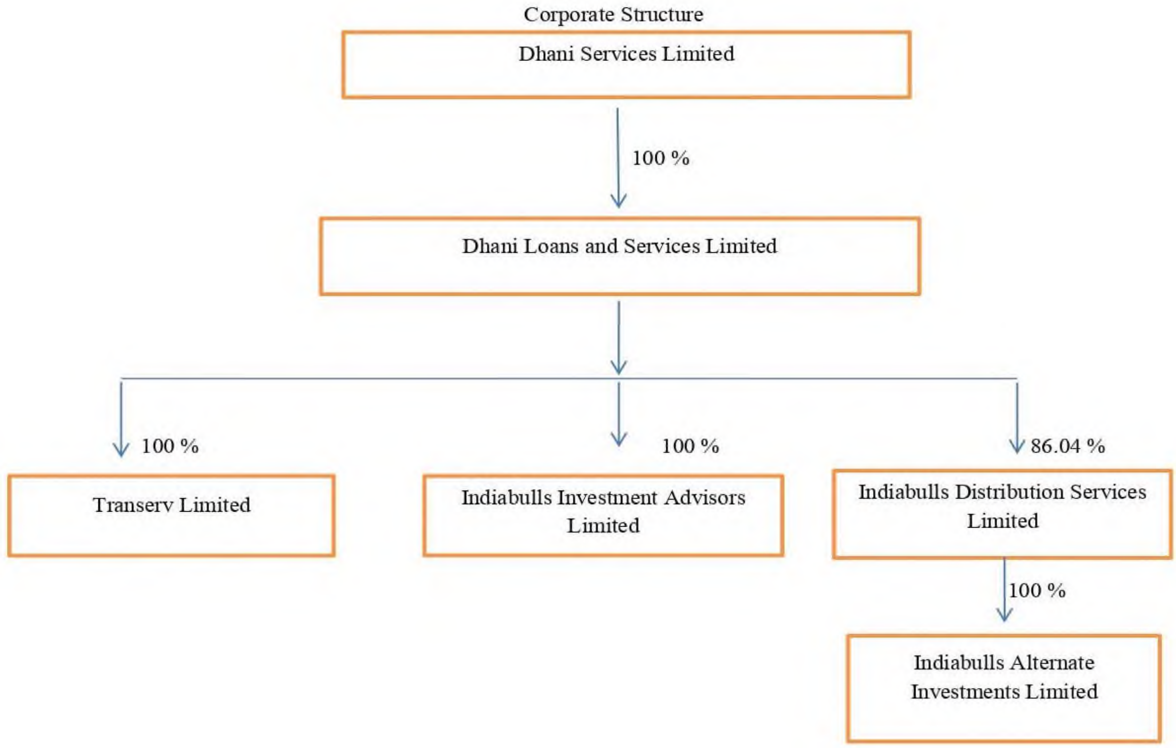
  IDSL is engaged in marketing of non-discretionary wealth management products.

- Indiabulls Alternate Investments Limited ("**IAIL**"):

  IAIL is engaged primarily in the business of investment management, marketing, fund raising, advising and administration of SEBI registered alternative investment funds.

Corporate Structure

The corporate structure of our Company as on the date of this Prospectus is set out below:



Our Strengths

Our primary strengths are as follows:

Strong brand recognition and operational and business linkages.

We are part of the Dhani group and we believe that our relationship with the Dhani group provides brand recall and we will continue to derive significant marketing and operational benefits. We believe that the Dhani brand is well recognized and associated with governance and compliance structure, and quality customer centric services. We believe that being part of the Dhani group significantly enhances our ability to attract new clients. We believe that the brand value and scale of the business operations of the Dhani group provides us with an advantage in an increasingly competitive market. We intend to continue to leverage the brand value of the Dhani group to grow our business.

Our country wide reach allows us to market our products across India which has helped scale our business.

Our lending business is sourced digitally. Due to our presence across India, we have established a diverse customer base, situated across India.

Additionally, our customer sourcing and marketing models have resulted in scalable growth. Our customer sourcing through our "Dhani" mobile application, which is aimed at providing an integrated and automated loan processing platform for our customers. A significant part of our personal loans business is being originated through the "Dhani" mobile application platform. The mobile application is aimed at providing our personal loan customers with the convenience getting a credit limit at any time through the "Dhani" mobile platform. The "Dhani" mobile platform is available across Android and IOS operating systems. Through such mobile application platforms, customers are able to apply for credit through an easy-to-use product accessible on mobile platforms, receive credit decisions within a relatively short period of time, and organize disbursement seamlessly. The number of devices on which the Dhani application is installed have increased from 42.9 million as on September 30, 2019 to 87.1 million as on

September 30, 2020 and 148.9 million as on September 30, 2021 at a CAGR of 51.4 %. As at September 30, 2021, we have disbursed loans to customers in over 900 cities in India through our "Dhani" mobile application, enabling us to operate on a pan-India basis.

Our customer origination initiatives involve different forms of marketing campaigns. Our digital marketing initiatives include advertisements over the internet and developing our loan product brand recall over social media. Customer origination for our "Dhani" mobile application and personal loan portfolio will be through an online and mobile application-based model. We have also developed product demonstration videos in vernacular languages which we distribute through digital media.

Extensive use of technology for credit assessment of our loan products to enable faster response time.

Our mobile application platform, "Dhani", is equipped to run credit checks (based on well identified parameters). The platform is capable of generating credit scorecards after considering all factors including an individual's internal credit rating, information from external credit bureaus and other details. We believe, our platform is efficient to handle large volume of data required to evaluate customer applications and flexible to capitalize on changing customer preferences, market trends and regulatory requirements.

We have entered into arrangements with data analytics companies and financial technology services providers to develop our automated loan platform. We have seamlessly integrated our loan application and processing operations with the customer demographic data available with credit bureau reports, and credit history of the applicant, in order to identify and generate appropriate credit scores. In order to support our mobile application-based loan process, we have developed a decision engine comprising our data analytics technology to provide simplified and competitive financing options to customers.

We expect to further strengthen our presence as a technology-enabled financing company by adopting advanced analytics to simplify credit assessments and financing decisions and enable a short turnaround time credit decisions across India. In the event any further documentation is required to complete the automated data analytics process contemplated by such mobile application loan sanction process, the relevant applicant is contacted by support teams to enable collection of relevant documentation.

We believe that our online loan application process, based on a number of credit and borrower eligibility criteria, will provide a more customer friendly option compared to traditional loan application processes that requires manual review and credit decisions, which is resource-intensive, time-consuming and may lead to inconsistent results.

Robust risk management framework along with strong in-house loan monitoring and collections teams.

Risk management forms an integral part of our business and we recognize the importance of risk management towards our long-term success. Over the years, we continue to develop our capabilities in the following four key areas:

Risk evaluation parameters and early warning signals: We increasingly leverage risk measurement and analytics to generate early warning capabilities and use those to make decentralized and largely objective decisions, and to drive our collection and repossession strategy, against which we seek to minimize deviations. We seek to emphasize regular project and payment monitoring, which tie into our key risk parameters and early warning signals which helps in timely identification of portfolios with increasing risk, enabling timely remedial measures, as applicable.

Treasury risk management: This gives the ability to effectively manage market risk (including interest rate risks) emanating from our key financing businesses. We have set up a robust governance framework to monitor and manage the market risk operations.

Credit profile of customers: This enables us to enhance credit limits of our customers based on their credit score.

As of March 31, 2021, and September 30, 2021, our Gross Stage 3 assets accounted for 10.26% and 3.38%, respectively, of our total loans outstanding.

Additionally, our in-house loan monitoring and collections teams help us keeping NPAs in check. Customers can track loan repayment based on outstanding tenure of loans, number of instalments due and defaults, if any. We also monitor compliance with terms and conditions of the relevant credit facilities. We have established a collection team to ensure a consistent and stringent collection process. We also closely monitor our collection team in order to ensure regulatory compliant loan repayments as well as to provide quality customer service. Our collection personnel are trained to assist our customers in understanding applicable repayment options and payment modes and ensure appropriate arrangements are made for the repayment of the loan. We use various collection strategies for delinquent loans, including settlements and restructured payment plans.

Robust balance sheet with strong capital adequacy.

We are subject to capital adequacy ratio ("**CAR**") requirements which are prescribed by the RBI. We are currently required to maintain a minimum 15.00% CAR as prescribed under the prudential norms of the RBI, based on our total capital to risk weighted assets as part of our governance policy. We maintain capital adequacy higher than the statutorily prescribed CAR. As at September 30, 2021, our CAR, which was computed on the basis of the applicable RBI requirements, was 61.79 %, as compared to the minimum capital adequacy requirement of 15.00% as stipulated by the RBI. As at March 31, 2021, our CAR, which was computed on the basis of the applicable RBI requirements, was 58.24%. With a CAR of 61.79 % as at September 30, 2021, our balance sheet is well capitalised over the statutorily prescribed CAR of 15 %. We also believe that we benefit from a liquid balance sheet with a sufficient net worth and a comfortable capital to risk weighted assets ratio. As at September 30, 2021, we had cash and cash equivalent (including liquid investments) of ₹ 8038.00 million on a standalone basis.

Experienced and professional management team.

We have a professional and experienced management team who is supported by a capable and motivated pool of employees. Each of our businesses are led by senior executives who are, generally, also responsible for certain organisational functions of our Company. Our senior managers have diverse experience in various financial services businesses across functions related to our business. Our senior managers have an in-depth understanding of the specific industry, products and geographic regions they cover, which enables them to appropriately lead and provide guidance to our employees. Our Board has extensive experience in the financial services and banking industries in India. Further, we have instituted several training and mentorship programs for our junior and mid-management employees. We have successfully recruited and retained talented employees from a variety of backgrounds, including credit evaluation, risk management, treasury, technology and marketing.

Our Strategies

Customised, innovative and customer friendly products.

As part of our strategy to focus on our lending business, we intend to customize and introduce new loan products and evaluate other financing opportunities. Our Company also intends to improve our lending processes and distribution channels. We focus on providing a seamless customer experience and differentiated solutions to meet the specific needs of particular customer demographics like our customized products such as, "Dhani One Freedom", that offers customers an instant credit line with the convenience of converting their daily spends into a loan and repay in three easy EMI's; and "Dhani Credit Line", which is a completely online and paperless instant credit product.

We believe that our customer service initiatives coupled with the use of technology will allow us to maintain our presence in the lending market and secure both new and repeat business in our lending operations.

Leverage our financial strength and improved ratings to increase our competitiveness, diversify our funding mix and reduce our funding costs.

Our cost of borrowings is driven by our credit ratings, our financial discipline and our business performance. We have obtained a long-term credit rating of "IVR AA/Stable Outlook" from Infomerics for our fund-based facilities. These ratings signify a high degree of safety, regarding timely servicing of financial obligations and low credit risk. We have also received a rating of BWR AA/Stable from Brickwork Ratings for long term debt instruments/bank facilities & BWR A1+ for short term/ commercial papers. We have a long-term credit rating of "CARE A (CWD)" (under credit watch with developing implications) long-term debt instruments and bank facilities from CARE Ratings.

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

Our funding mix (on a standalone basis) is as follows:

(₹ in million)

Source of funding (IND-AS)	As at September 30, 2021	Fiscal 2021
Loans from banks and others	12,018.36	19,745.46
Cash Credit	-	50.00
Non-convertible debentures and other debt instruments	3,565.15	7,706.03
Commercial papers	-	-
Subordinated debt	-	-
Securitisation Liabilities	2,000.43	4,083.88
Total	**17,583.94**	**31,585.37**

Continue to maintain prudent risk management policies for our assets under management.

We believe that the success of our business is dependent on our ability to consistently implement and streamline our risk management policies. As we focus on building a large loan book, we will continue to maintain strict risk management standards to manage credit risks and promote a robust recovery process.

Leverage on technology to improve customer reach and operating efficiency.

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

Our Product Portfolio

We are a consumer business operating through Dhani app; provide digital transactional finance and digital healthcare and to its' customers. Growing from a personal finance business to now offering a comprehensive range of products : Dhani One Freedom Credit and access to personal finance via Dhani Credit line as our primary offerings alongside healthcare suite that also provides its customers with healthcare access over instant video calls with doctors, single consultations, comprehensive medical care available on a subscription basis & Dhani medicines powered to provide customers with affordable medicines delivered at their door step. We have also offered business loans depending on the category of borrowers.

Asset Quality

We maintain our asset quality by adhering to credit evaluation standards, limiting exposure and interacting with customers directly and regularly. We ensure prompt collection and proper storage of post-disbursement documents. The Company believes it follows the necessary risk management policies to ensure that the asset quality of its credit book remains comfortable. As a prudent practice, our Company has decided to adopt RBI stipulated provisioning norms and where necessary, more stringent and conservative norms. Our provisioning policy also factors in the characteristics of different client segments, loans, and underlying security given the complexities and probabilities involved in recovery of loans disbursed over time.

As of March 31, 2021, and September 30, 2021, our Gross Stage 3 assets accounted for 10.26% and 3.38% respectively, of our loan book outstanding.

LENDING POLICIES AND PROCEDURES

Overview

We are an NBFC registered with the RBI, which is the regulator for NBFC in India. The RBI stipulates prudential guidelines, directions and circulars in relation to NBFCs.

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

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

Our loan offerings cater to a broad cross-section of Indian businesses and consumers. The lending policies that we have in place are aimed at ensuring that our loan portfolio remains of a high quality. We also maintain conservative provisioning and write-off policies in respect of our NPAs in line with regulatory requirements.

Lending Process

Our lending products are aligned to the specific needs of diverse categories of our customer base. To ensure this, we maintain internal credit checks and approval processes, which are in line with our risk evaluation criteria.

Credit Assessment and Approval Process

We have necessary credit assessment procedures in place in order to manage the credit risks associated with the loans granted by us. Various aspects of credit risk management are addressed by different processes and teams and are designed to manage risks at different stages of the financing process.

Credit Assessment Process

With inputs from portfolio trends over the years in our personal loan business, we have built analytics based decision management algorithms and evaluation metrics. The credit decisions are therefore standardised, template driven and generally objective. These statistical models generally consist of variables attributable to demographics, credit repayment history, monthly / annual income, and asset selection that assist in the evaluation of the credit-worthiness of the borrower. In cases of asset finance loans or loans against property, the asset's value and income-generating capability forms an integral component of the credit assessment process. For all cases, diligence is undertaken in respect of know-your-customer policies, credit references and banking history, etc.

Eligibility Criteria

One of the key eligibility criteria for approving a customer's loan is the customer's repayment capacity, which is determined by factors such as the customer's age, credit profile, educational qualification, alternate data, past track record and the stability and continuity of the customer's income, and, if applicable, the co-applicant's income, assets and liabilities. Subject to the regulatory limits, the amount of the loan is determined on the basis of our evaluation of the repayment capacity of the customer and the value of the relevant property. Value of the property is assessed by empaneled valuers. We also carry out legal diligence of the property through our empaneled lawyers. Loans are generally required to be repaid in equated monthly instalments over an agreed period.

Upon completion of the initial evaluation and approval process, we execute the loan documentation, ensuring that we perfect security over the collateral, wherever applicable. We perform know-your-customer checks with the customer information in our files. We aim to appraise customers and complete disbursement within short turn-around-times while adhering to our internal standards and regulatory requirements.

Loan Administration and Monitoring

We give our customers an option to pay using all methods of electronic modes of payment - at a frequency that is fixed after determining the customer's expected cash flow. For cash collections, our field executives visit customers to collect instalments as they become due. We engage with the customers through call- centres, SMS or face to face meetings, in accordance with the payment behaviour of a customer.

We track loan repayment schedules on a monthly basis and monitor instalments due and loan defaults. We ensure that all customer accounts are reviewed periodically, with customers who have larger exposures or missed payments reviewed more frequently. We carry out portfolio-level monitoring on a regular basis to help us take appropriate decisions for steering the portfolio in the desired direction.

Collection and Recovery

We have asset management teams across our businesses whose responsibility is to streamline the asset management activities for individual business segments. We believe that this helps the respective business groups to focus on business generation and collections while expert teams deal with NPA management, re-possessions and resales of assets in a timely and efficient manner. We also believe that this enables the timely involvement of recovery experts in the debtor management process.

Our asset management teams generally have a collection function which manages all accounts moving into the delinquency stage. These accounts are managed through either the collection of dues or the repossession and resale of assets through appropriate legal measures. In addition, these teams are responsible for identifying signs of delinquency at an early stage, implementing appropriate recovery measures in order to prevent the degradation of accounts, repossession of assets in cases of wilful default, storing and valuation of assets, obtaining best possible prices on resale, minimizing repossession sale losses, instituting appropriate legal action (in conjunction with the legal team) and obtaining property details of the customer for attachment of the assets, wherever applicable.

Customer Appraisal and Approval Process

We have robust credit approval process which has both rule based credit assessment for certain products as well as physical credit assessment. Underlying principle of complete credit assessment at each customer level using all relevant information is maintained in both rule based as well as physical credit assessment of the customer as mentioned below.

The customer appraisal process includes two-way assessment. For transaction finance products we have a rule based approval process, where a customer is required to provide demographic information, submit valid documents, bank details, etc. We also take details from credit bureaus and assess customer's credibility. Post collation of all information about the customer, credit assessment is done through a system and if required reviewed by credit officer wherever required before final approval. All applications by prospective customers must be submitted in our standardized forms. Prospective customers are required to submit pre-defined KYC documents as per regulatory requirements.

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

Before disbursing the loan depending on the type of product, we may take repayment instruments, as permitted under applicable law, from the customer for the loan repayments.

Customer Service

We believe that call-centers and an emphasis on superior customer service will be significant drivers as we continue to grow our lending business and introduce our mobile application based loan processing platform "Dhani". We continue to focus on improving customer experience and satisfaction by evaluating customer information derived from website analytics, customer satisfaction surveys, call center feedback and call monitoring.

Asset Recovery and Non-Performing Loans

By way of notification dated October 24, 2018, we have been notified as a Financial Institution covered under Section 2(1)(m)(iv) of the SARFAESI Act which enables us to initiate proceedings under the provisions of the SARFAESI Act for recovery of dues under NPA Accounts.

Further, in the event that our customer's repayment instrument for repayment of principal or EMI payment are dishonored on account of insufficiency in funds, we undertake proceedings under the Negotiable Instruments Act, 1881 (as amended). The Payment and Settlement Systems Act, 2007 (as amended) against the customers for asset recovery and NPAs. Upon the receipt of the relevant information and documents, proceedings under the Negotiable Instruments Act, 1881 (as amended) may be initiated by serving a notice demanding payment. If no payment is received within the stipulated period, a criminal complaint is filed before the competent court having jurisdiction to try the case. After the trial, if the accused person(s) are convicted, they are liable for imprisonment or fine or both.

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

The following table sets forth details of our non-performing loans (in absolute terms and also as a percentage of loan book) and our cumulative provision as at March 31, 2021, 2020 and 2019:

Particulars	**Standalone**		
	As at March 31		
	2021	**2020**	**2019**
	(in ₹ million, except percentages)		
Gross NPAs	4,270.15	909.50	841.30
% of gross NPAs to loan book	10.26%	1.93%	0.79%
Net NPAs	958.83	345.98	263.14
% of net NPAs to loan book	2.50%	0.74%	0.25%
Total cumulative provision – loans and other assets	4,392.04	5,297.02	1,248.73

Liability Management

We believe we have a robust liability management program that leads to stable borrowings at reasonable costs. We have lending relationships with Indian public sector banks, private banks, and others financial institutions.

We rely on long-term and medium-term borrowings from banks; amongst others, including issuances of non-convertible debentures. We have a diversified lender base comprising public sector undertakings ("**PSUs**"), private banks, mutual funds, provident funds and others. We also sell down parts of our portfolios through securitization and/or direct assignment of loan receivables to financial institutions, which results in an additional source of liquidity for us.

Our Asset Liability Committee reviews the structural mismatches in our liquidity statement, as per the guidelines of the RBI and other regulatory or statutory bodies. Depending upon inherent nature of required assets and prevailing interest rate view, the committee provides guidance on borrowing instruments and overall debt composition. Our Asset Liability Committee also reviews risk management policies related to liquidity, interest rates and investment policies periodically. Other functions include monitoring market risk management systems, compliance with the asset liability management policy and prudent gaps and tolerance limits and reporting systems set out by the Board and ensuring adherence to the regulatory guidelines; monitoring our business strategy in line with our budget and risk management practices; reviewing the effects of changes in market conditions and recommending the action needed to adhere to the organization's internal limits related to liquidity and interest rate risk management.

Risk Management

Our Company is exposed to variety of risks such as credit, interest rate and liquidity, amongst others. Our Company has robust framework which involves risk identification, assessment and mitigation planning. We believe our Company's robust analytical model during lending has enabled to mitigate credit risk. In order to mitigate liquidity risk, we ensure that the short-term and long-term funding resources are favourably matched with deployment of funds. Further, our robust risk management team ensures effective credit operations structure.

Our Audit Committee acts as a link between the statutory and internal auditors and our Board. Our Audit Committee oversees our financial reporting process, reviews our financial statements and relevant disclosures, auditors' independence and performance, effectiveness of our audit process and adequacy of internal control systems and recommends the appointment and remuneration of the auditors to the Board. Our Audit Committee is entitled to obtain external professional advice where required.

Based on the information supplied by the applicant regarding the applicant's financial and employment status, and the banking and credit history of such applicant drawn from credit bureaus and other sources, internally developed credit assessment algorithms and the minimum eligibility criteria for applicants, we identify the applicable credit score for the applicant. The following factors are also typically taken into account in determining the credit score of an applicant: credit card usage, nature of loans availed in the past, as well as the credit history, including whether timely repayments were made on previous or existing loans. Our credit risk model involves customer credit insights developed from customer data available through the applicant's financial and other records available publicly or provided by the applicant, which we believe enables us to develop credit scoring methodologies to provide more accurate credit scores and associated credit pricing. We believe that such integrated credit scoring methodology provides for automated loans processing. We also continue to monitor risks in the lending business and modify our underwriting policy basis requirements from time to time.

Interest Rate Risk

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

As at September 30, 2021, a significant majority of our loan assets and borrowings were fixed rate. Our business is impacted by a change 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. Consequently, movements in domestic interest rates constitute the source of interest rate risk.

This risk is managed on the balance sheet by the management team with the guidance of our asset liability management committee. The committee actively reviews the assets and liabilities position of our Company and gives directions to the finance and treasury teams in managing the same.

For more information on our liquidity risk, see "*Risk Factors – We are vulnerable to the volatility in interest rates and we may face interest rate and maturity mismatches between our assets and liabilities in the future which may cause liquidity issues"* on page 23.

Liquidity Risk

Any liquidity risk arising due to non-availability of adequate funds at an appropriate cost is minimized through a mix of strategies, including asset securitization and assignment and temporary asset liability gap. We constantly monitor our liquidity under the guidance of the asset liability management committee.

We classify our assets and liabilities as current and non-current based on their contracted maturities. However, our classification of assets and liabilities into various maturity profiles reflects various adjustments for prepayments and renewals in accordance with the guidelines issued by the RBI. We manage our balance sheet while drawing new debt and extending credit so as to minimize potential asset-liability mismatches.

Asset Liability Management

We require a sizeable working capital. As a result, our day-to-day liquidity management is a critical function. As our loan book scales up, the business requires greater attention to the management of liabilities.

We have formed an Asset Liability Management Committee ("**ALCO**"). The Asset Liability Management (the "**ALM**") statement of our Company is prepared on a monthly basis to track the inflows and outflows of our Company. The ALM statement is placed before the ALCO periodically. Since we have a mixed lending portfolio comprising short term and long-term loans, we make efforts to match the maturity of liabilities with the maturity of assets. We structure the treasury assets to maintain sufficient liquidity, address the capital needs of the business and manage interest rate risks. We focus on enterprise-wide risk management to ensure optimum returns while preserving our capital.

Concentration Risk

We have laid down portfolio concentration limits which are reviewed on a quarterly basis to ensure that the overall portfolio is within the approved limits to minimize concentration risk to any particular business segment, industry, group, geography or borrower. Further, we have identified risk hotspots which are closely monitored to identify any earlier signs of weakness. Based on the severity of the identified risk hotspots, appropriate business strategies are developed to mitigate these risks through, for instance, sell-downs, securitizing or reducing the loan component.

At portfolio level, the credit risks are managed through risk dashboards where critical information is captured on a monthly basis. The organization also monitors risk through appropriate early warning signals to identify, isolate and manage risk proactively.

Asset Impairment Risk

Asset impairment risks may arise due to the increase in delinquencies and decrease in the value of the security over time (for secured loans). The selling price of a re-possessed asset may be less than the total amount of loan and interest outstanding in such borrowing and we may be unable to realize the full amount lent to our customers due to such a decrease in the value of the collateral/security. We may also face certain execution difficulties during the process of seizing collateral. We engage experienced repossession agents to repossess assets of defaulting customers. We ensure that these repossession agents follow legal procedures and take appropriate care in dealing with customers for seizing assets.

Capital Adequacy Ratio

NBFCs are required to maintain a minimum CRAR norm of 15% of the risk weighted assets and risk adjusted value of off-balance sheet items before declaring any dividends. The table below sets forth our standalone CRAR as at September 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019:

(*₹ in million, except percentages*)

Particulars	Standalone			
	For the six month period ended September 30, 2021	For the Fiscal Year ended March 31,		
		2021	2020	2019
Tier I Capital *(₹ in million)*	26,222.12	32,257.32	29,959.12	42,656.93
Tier II Capital *(₹ in million)*	0.00	0.00	3,565.49	670.58
Total Capital *(₹ in million)*	26,222.12	32,257.32	33,524.61	43,327.51
Total Risk Weighted Assets *(₹ in million)*	42,440.33	55,391.11	56,894.81	1,14,921.19
Capital Adequacy Ratio				
Tier I Capital (as a Percentage of Total Risk Weighted Assets (%))	61.79%	58.24%	52.66%	37.12%
Tier II Capital (as a Percentage of Total Risk Weighted Assets (%))	0.00%	0.00%	6.27%	0.58%
Total Capital (as a Percentage of Total Risk Weighted Assets (%))	61.79%	58.24%	58.92%	37.70%

Credit Risk

Credit risk is the risk of loss that may result from a borrower's or counterparty's failure to meet the contractual obligation of repaying debt as per the agreed terms. Credit risk is actively monitored and controlled by our Integrated Risk Management Committee. The committee reviews and updates the credit policy, which is strictly adhered to by our underwriting teams. Our extensive local presence also enables us to maintain regular direct contact with our customers. The underwriting team works closely with our fraud control unit, which uses internal and external sources to identify all possible fraudulent loan applications.

Operational risk management

Our Integrated Risk Management Committee manages the integrated risk which includes credit risk, liquidity risk, interest rate risk and operational risk. Our Board is informed about the risk assessment and risk reduction procedures undertaken. Our Board periodically reviews the risk management policies and practices followed by our Company.

Operational risk is the risk of loss resulting from (i) inadequate or failed internal processes, (ii) people and systems, or (iii) external events. Operational risk is associated with human errors, system failures, and inadequate procedures and controls. Operational risk exists in 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 strategies and methods to safeguard against these risks:

Credit risk

We use multiple variables, across our financing businesses, such as industry performance, analysis of our loan portfolio, market share of a particular asset, our channel partner’s turnover, among others, to develop and update our evaluation and assessment metrics. These evaluation and assessment metrics are utilized for credit assessments of customers. Evaluation and assessment metrics help us to deliver standardized credit assessments and faster turnaround time to customers. These evaluation and assessment metrics are updated at regular intervals in order to accurately assess risk parameters and status of loans disbursed.

Technology risk

We have an in-house IT team, which ensures that the 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 authorized users and password management.

Our data analytics team carries out various analysis across the lifecycle of the customer (acquisition, customer management, collections and repossession/recovery) for our businesses. Application scorecard built by our analytics team helps us to assess the credit worthiness of the customer and enables us to onboard customers with only acceptable level of risk on our books while the behaviour scorecard built by the analytics team helps us manage our delinquency threshold as well as credit operations cost for the business. Given the rising cost of acquiring customers, we have also built and implemented attrition/churn scorecard to manage the overall churn in our customer bases. Our risk management framework is further supported by extensive use of data analysis which is not only limited to statistical and econometric analysis but also includes advance analytics like machine learning (both supervised and unsupervised) as well. Based on our key risk parameters, we have deployed algorithms to trigger early warning signals, for each of our business segments. These early warning signals rely on in-depth data analysis and utilize extensive data collected over the course of our operations across the lifecycle of the customer.

We have also instituted security protocols such as firewalls, intrusion prevention system to detect and stop threats and have separations for internet facing applications and critical internal applications. We periodically assess our IT infrastructure and applications to find potential security threats and remedy threats discovered as well as monitor critical applications and systems for any suspicious activity. We have internal policies for acceptable use of corporate systems, confidential data, email, mobile devices and passwords. We also have deployed tools such as 'data loss prevention' and 'identity and access management' to handle different threats and unauthorised access to our systems and networks.

Employee risk

We have implemented an effective screening programme to conduct pre-employment background checks. Adequate and proper reference checks and screening of the prospective employee's credentials are conducted prior to recruitment.

Regulatory risk

Any communication received by us, including legal notices, customer letters, banks communications, regulatory notices or orders are promptly recorded and forwarded to the relevant departments who are required to process such communication in a timely manner. This process is managed by our in-house regulatory compliance team.

Fraud and anti-money laundering transactions

At the time of appraisal of a loan or a business proposal, we review the underlying documents from KYC as well as money laundering and fraud prevention perspectives. Our fraud control unit also conducts spot checks or a random basis. We also ensure the preservation of records in compliance with the Prevention of Money Laundering Act of 2002.

Competition

The financial services industry is highly competitive and we expect competition to intensify in the future. We face competition in the lending business from domestic and international banks as well as other NBFCs and private unorganized lenders. Banks are increasingly expanding into retail loans in the rural and semi-urban areas of India. We are exposed to the risk that these banks continue to expand their operations into the markets in which we operate, which would result in greater competition and lower spreads on our loans. In particular, many of our competitors may have operational advantages in terms of access to cost-effective sources of funding and in implementing new technologies and rationalising related operational costs.

Insurance

We maintain a director's and officers' liability policy covering our directors and officers against claims arising out of legal and regulatory proceedings and monetary demands for damages. These insurance policies are generally valid for a year and are renewed annually.

Intellectual Property

As part of our lending business, our Company has obtained registrations for its trademarks, which include, among others, dhanipay, dhaniemi, dhanibiz, dhanilite, dhaniswipe and Dhani PHONE SE LOAN! for our mobile application based lending business. Additionally, we have applied for trademark registration of the logo dhani under various classes, which are currently pending registration.

See also "*Risk Factors – We may be unable to protect our logos, brand names and other intellectual property rights which are critical to our business*." on page 40.

Legal Proceedings

We are party to various legal proceedings which arise primarily in the ordinary course of our operations. For further details, please see "*Outstanding Litigations and Defaults*" on page 207.

Human Resources

As at September 30, 2021, we had 14,653 full time employees. Each of our businesses are led by senior executives who are generally, also responsible for certain organisational functions at the group level. Our senior managers have diverse experience in various financial services and functions related to our business. We have instituted training and mentorship programs for our junior and mid-management employees, and we intend to continue investing in recruiting, training and maintaining a rewarding work environment. We have recruited and retained talented employees from a variety of backgrounds, including credit evaluation, risk management, treasury, technology and marketing. We will continue to attract talented employees through our recruitment and retention initiatives. In addition to our full-time employees, we have arrangements with various contractors for contract labour services including for our housekeeping and manned security requirements. Our performance appraisal system helps to analyse the qualitative aspects of our business and managerial dimensions of our employees.

Corporate Social Responsibility ("**CSR**")

Our CSR initiatives are carried out through the Indiabulls Foundation, a trust established for this purpose, focused on healthcare, education, art and culture, nutrition, sanitation and rural development. CSR activities conducted include free surgeries at impoverished rural areas, contributions to schools and other educational institutions across India, and animal welfare projects. We have also set up a CSR committee that is responsible for implementing our initiatives through the Indiabulls Foundation. For the financial year ended March 31, 2021, our expenditure towards CSR initiatives was ₹ 66.65 million on a consolidated basis.

Property

Our registered office is located at M-62 and M-63, First Floor, Connaught Place, New Delhi – 110 001, India. We also have a corporate office in Gurugram and Mumbai, India. Our registered office, corporate offices and branches are located at premises leased or licensed to us.

HISTORY AND OTHER CORPORATE MATTERS

Brief background of the Company

Our Company was incorporated as 'Malpani Securities Private Limited', a private limited company under the provisions of the Companies Act, 1956, pursuant to a certificate of incorporation issued by the Registrar of Companies, NCT of Delhi and Haryana, dated October 27, 1994. Subsequently, the name of our Company was changed to 'Shivshakti Financial Services Private Limited' pursuant to a fresh certificate of incorporation dated January 13, 2010. Pursuant to a resolution passed in the extra-ordinary general meeting of our shareholders held on October 07, 2014 and a fresh certificate of incorporation issued by the RoC on February 05, 2015, our Company was converted into a public limited company. Subsequently, the name of our Company was changed to 'IVL Finance Limited' pursuant to a fresh certificate of incorporation dated October 19, 2016. Pursuant to a fresh certificate of incorporation dated September 18, 2018, the name of our Company was changed to 'Indiabulls Consumer Finance Limited'. Thereafter, the name of our Company was changed to 'Dhani Loans and Services Limited' and a fresh certificate of incorporation, consequent upon change of name was issued by the RoC on July 7, 2020.

We received a certificate of registration from the RBI to carry on the business of a NBFC without accepting public deposit on May 30, 1998 having registration number 14.00909. Subsequently, we were issued a fresh certificate of registration having registration number B-14.00909 dated April 12, 2010 in lieu of the earlier certificate, due to change in name of our Company. Upon conversion of our Company from a private limited company to public limited company, we were issued a fresh certificate of registration having registration number B-14.00909 dated March 19, 2015 in lieu of the earlier certificate. Further, upon change of name of our Company from 'Shivshakti Financial Services Limited' to 'IVL Finance Limited', we received a new certificate of registration bearing registration number B-14.00909 dated December 13, 2016. Further, upon change of name of our Company from 'IVL Finance Limited' to 'Indiabulls Consumer Finance Limited', we received a new certificate of registration bearing registration number B-14.00909 dated November 02, 2018. Subsequently, upon change of name of our Company from 'Indiabulls Consumer Finance Limited' to 'Dhani Loans and Services Limited', we received a new certificate of registration bearing registration number B-14.00909 dated August 21, 2020.

Our Registered Office is located at M 62 & 63, First Floor, Connaught Place, New Delhi - 110001. We are registered with the Registrar of Companies, NCT of Delhi and Haryana under CIN U74899DL1994PLC062407.

Change in registered office of our Company

The registered office of our Company was shifted from First Floor, 51, Hauz Khas Village, New Delhi – 110 016 to M - 62 & 63, First Floor, Connaught Place, New Delhi – 110 001 with effect from July 17, 2014.

Corporate Office

One International Centre (*formerly Indiabulls Finance Centre*)
Senapati Bapat Marg
Elphinstone Road
Mumbai – 400 013
Telephone No.: + 91 22 6189 1000, + 91 22 6144 6344
Facsimile No.: +91 22 6189 1421
Website: www.dhaniloansandservices.com

Indiabulls House,
448-451, Udyog Vihar, Phase V
Gurugram- 122016
Telephone No.: + 91 124 668 5899
Facsimile No.: + 91 124 668 1240
Website: www.dhaniloansandservices.com

Main objects of our Company

The main objects of our Company as contained in our Memorandum of Association are:

1. To carry on the business of stock and share broking and its allied matters such as acting as underwriters, sub-underwriters, brokers to issue of securities, dealers in securities, buying, selling, transferring, hypothecating and holding of shares, debentures and securities of all kinds and description. Merchant banks for the purpose of issue of shares/ debentures and securities of all kinds. Lead managers or co-managers, brokers and sub-brokers of stocks and new issue of shares, debentures and securities of all kinds and description, registrars to the issue of securities, share transfer agents, investment business, portfolio management, corporate counseling, investment and financial consultants, finance and discount brokers, foreign exchange brokers (with the permission of RBI and other authorities), advisors and consultants to the issue of securities of all kinds and types in all their aspects in India or outside and manage/arrange mergers and acquisitions.

2. To invest in, acquire and hold, buy or sell or otherwise dispose of or deal in securities of any kind, shares, debentures, debenture stocks, securities, properties, bonds, units, obligations and securities issued or guaranteed by any government, state, union territory, municipal or civil body, financial institutions commercial papers, negotiable instruments and paper instruments of all types and kinds.

3. To carry on the business of merchant banking in all its aspects, to act as managers to issue and offers, whether by way of public offer or otherwise of shares, stocks, debentures, bonds, units, participation certificates, deposit certificates, notes, bill, warrants or any other instruments whether or not transferable or negotiable, commercial or other paper or scripts (hereinafter collectively referred to as the "**securities**") to act as agents of and or dealers in the securities in the course of merchant banking business, to act as discount house for any of securities, to act as financial consultants, advisors and counselors in investment and capital markets, to underwrite, sub-underwrite or to provide stand-by or procurement arrangements, to issue guarantees or to give any other commitments for subscribing or agreeing to subscribe or procure, agree to procure subscription for the securities to manage portfolio investments, to provide financial and investment assistance for the purposes herein, to act as an issue house, registrar to issue, transfer agents, for the securities, to manage and administer computer centers and clearing houses for the securities to form syndicate of consortia of managers, agents and purchase for or of any of the securities, to act as brokers, dealers, and agents of or in connection with the securities, bullions and precious metals, to syndicate any financial arrangement whether in domestic market or in international market and whether by way of any loans, guarantees, export and yard credits, to undertake the work of factoring of bills and other commercial papers and to arrange and/or co-ordinate documentation and negotiable in this regard.

4. To hold investments in various step-down subsidiaries for investing, acquiring, holding, purchasing or procuring equity shares, debentures, bonds, mortgages, obligations, securities of any kind issued or guaranteed by the Company.

5. To provide investment advisory services on the internet or otherwise; provide financial consultancy in the area of personal and corporate finance; publish books and CD ROMs and any other information related to the above; to conduct the business of hybrid financial instruments; to conduct depository participant services; to conduct de-materialisation and re-materialisation of shares; set up depository participant centers at various regions in India and to perform all related, incidental, ancillary and allied services.

6. To receive funds, deposits and investments from the public, Government agencies, financial institutions and corporate bodies; grant advances and loans; conduct advisory services related to banking activities, project financing, funding of mergers and acquisition activities; fund management and activities related to money market operations; to carry on the business of portfolio management services, investment advisory services; custodial services; asset management services; leasing and hire purchase; mutual fund services and to act as brokers of real estate and financial instruments.

7. To carry on the business of financing; provide lease and hire purchase services; to provide consultancy in the area of lease and hire purchase financing and to operate mutual funds; receive funds from investors; equity or debt instrument research activity instrument in debt and/or equity instruments.

Awards and Recognitions

We have received the following awards:

Financial Year	Particulars
2019	Award for 'Best Use of Mobile in a Digital Campaign' at the Digital Industry Awards part of the 2nd Chief Digital Officer Summit
2019	Awards for 'Best Mobile Search Campaign (Bronze)' and 'Best Display Campaign (Bronze)' at India Digital Awards, 2019
2019	Awarded to Indiabulls group for 'Innovation of the Year- Fintech' at Inflection organized by NASSCOM
2022	Our mobile application is rated 3.8 stars on Google play store as on the date of this Prospectus

Key terms of our Material Agreements

Except as stated below, our Company has not entered into any material agreement or material contract other than in the ordinary course of business within the previous two years.

a. Share purchase agreement dated March 20, 2020 between our Company, and certain shareholders of the Company and DSL along with certain of its shareholders

Our Company has acquired 55,00,000 equity shares of face value of ₹ 10 each of IIAL, representing 100% of the issued and paid-up share capital of IIAL, pursuant to a share purchase agreement dated March 20, 2020, between the Company and certain shareholders of the Company as the purchasers and DSL along with certain of its shareholders as sellers. Pursuant to the acquisition, IIAL has become wholly owned subsidiary of our Company. Subsequent to this, the Company has further invested ₹ 3,500.00 million in the equity share capital of IIAL.

b. Share purchase agreement dated April 01, 2020 between the promoters of Transerv and the Company

Our Company has acquired 33,72,885 equity shares of face value of ₹ 10 each, aggregating to 52.06% of the issued and paid-up equity share capital of TranServ on a fully diluted basis pursuant to a share purchase agreement dated April 01, 2020 between the promoters of TranServ as the sellers and the Company as acquirer. Further, our Company acquired 3,85,041 equity shares aggregating to 5.94% of the issued and paid-up equity share capital of TranServ on a fully diluted basis pursuant to a share purchase agreement dated April 01, 2020 between the promoters of TranServ as the sellers and the Company as acquirer. Pursuant to the acquisitions, TranServ has become wholly owned subsidiary of our Company.

Our Subsidiaries

As on the date of this Prospectus, our Company has the following subsidiaries.

S No.	Name of the Entity	Equity Holding (%)	Registered Address	Activity undertaken by the entity
1.	Indiabulls Investment Advisors Limited	100	M-62 & 63, First Floor Connaught Place New Delhi DL 110001 IN	IIAL is engaged in marketing of non-discretionary wealth management products.
2.	TranServ Limited	100	Unit No. 401 & 402, One International Center, 4th Floor, Tower-1, S.B. Marg,	Transerv has been authorized by the RBI under the Payment and Settlement Systems Act, 2007, as amended, to issue and operate semi-closed prepaid

S No.	Name of the Entity	Equity Holding (%)	Registered Address	Activity undertaken by the entity
			Elphinstone Road(W) Mumbai MH 400013 IN	payment instruments, pursuant to which Transerv operates a wallet service under the brand 'Dhani Pay'. It is also authorised to issue digital and physical Rupay Cards for its customers.
3.	Indiabulls Distribution Services Limited	86.04	M-62 & 63, First Floor Connaught Place New Delhi Central Delhi DL 110001 IN	IDSL is engaged in marketing of non-discretionary wealth management products.
4.	Indiabulls Alternate Investments Limited	86.04	M-62 & 63, FIRST FLOOR CONNAUGHT PLACE DELHI Central Delhi DL 110001 IN	IAIL is engaged primarily in the business of investment management, marketing, fund raising, advising and administration of SEBI registered alternative investment funds.

Our Associate Company(ies)

NIL

Joint Venture(s) and Memorandum of Understanding(s) (MoU)

Nil

The organisational structure of our Company is as follows:

Please refer to "*Our Business – Corporate Structure*" on page 127.

REGULATIONS AND POLICIES

The following is a summary of relevant regulations and policies prescribed by the Government of India and other regulatory bodies that are applicable to our Company's business. Taxation statutes such as the Income Tax Act, Central Sales Tax Act, 1956 and applicable local sales tax statutes labour regulations such as the Employees State Insurance Act, 1948 and the Employees Provident Fund and Miscellaneous Provisions Act, 1952, and other miscellaneous regulations such as the Trade and Merchandise Marks Act, 1958 and applicable Shops and Establishments statutes apply to us as they do to any other Indian company and therefore have not been detailed below. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the 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, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

For the purposes of this section, references to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification are to such legislation, act, regulation, rule, guideline, policy, circular, notification or clarification as amended from time to time.

Investors shall carefully consider the information described below, together with the information set out in other sections of this Prospectus including the financial statements before making an investment decision relating to the NCDs, as any changes in the regulations and policies could have a material adverse effect on our Company's business.

The major regulations governing our Company are detailed below:

We are a non-deposit taking (which does not accept public deposits), systemically important, NBFC. As such, our business activities are regulated by RBI Regulations applicable to non-public deposit accepting NBFCs ("**NBFC-ND**") and any other circular/ regulation/ framework/ rules/ guidelines/ press release etc. as may be issued by RBI in relation to the business of our Company.

As at February 17, 2020, the RBI issued an updated Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, (as updated) applicable to all NBFC-NDSIs.

Regulations governing NBFCs

As per the RBI Act, a financial institution has been defined as a company which includes a non-banking institution carrying on as its business or part of its business the financing activities, whether by way of making loans or advances or otherwise, of any activity, other than its own and it is engaged in the activities of loans and advances, acquisition of shares/stock/bonds/debentures/securities issued by the Government of India or other local authorities or other marketable securities of like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of carrying out any agricultural or industrial activities or the sale/purchase/construction of immovable property.

As per prescribed law any company that carries on the business of a non-banking financial institution as its 'principal business' is to be treated as an NBFC. The term 'principal business' has not been defined in any statute, however, RBI has clarified through a press release (Ref. No. 1998-99/1269) issued in 1999, that in order to identify a particular company as an NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide a company's principal business. The company will be treated as an NBFC if its financial assets are more than 50 percent of its total assets (netted off by intangible assets) and income from financial assets should be more than 50 percent of the gross income. Both these tests are required to be satisfied in order to determine the principal business of a company.

Every NBFC is required to submit to the RBI a certificate, from its statutory auditor within one month from the date of finalisation of the balance sheet and in any case, not later than December 30 of that year, stating that it is engaged in the business of non-banking financial institution requiring it to hold a certificate of registration.

NBFCs are primarily governed by the RBI Act, the Master Direction – Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, Peer to Peer Lending

Platform (Reserve Bank) Directions, 2017 (“**Peer to Peer Regulations**”), Reserve Bank Commercial Paper Directions, 2017 (“**Commercial Papers Directions**”) and the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016. In addition to these regulations, NBFCs are also governed by various circulars, notifications, guidelines and directions issued by the RBI from time to time.

Although by definition, NBFCs are permitted to operate in similar sphere of activities as banks, there are a few important and key differences. The most important such distinction is that an NBFC cannot accept deposits repayable on demand – in other words, NBFCs can only accept fixed term deposits. Thus, NBFCs are not permitted to issue negotiable instruments, such as cheques which are payable on demand.

Section 45-IA of the RBI Act makes it mandatory for every NBFC to get itself registered with the Reserve Bank in order to be able to commence any of the aforementioned activities.

Further, an NBFC may be registered as a deposit accepting NBFC (“**NBFC-D**”) or as a non-deposit accepting NBFC (“**NBFC-ND**”). NBFCs registered with RBI are further classified as:
- Asset finance companies;
- Investment companies;
- Systemically Important Core Investment Company;
- Loan companies and/or
- Infrastructure finance companies.
- Infrastructure debt fund - NBFCs;
- NBFC - micro finance institutions;
- NBFC –Factors;
- Mortgage guarantee companies;
- NBFC- non-operative financial holding company; and
- Non-Banking Financial Company-Peer to Peer Lending Platform.

RBI, by way of circular bearing reference number RBI/2018-19/130 DNBR (PD) CC.No.097/03.10.001/2018-19 dated February 22, 2019, has harmonised different categories of NBFCs into fewer ones, based on the principle of regulation by activity rather than regulation by entity. Accordingly, RBI has merged the three categories of NBFCs viz. Asset Finance Companies (AFC), Loan Companies (LCs) and Investment Companies (ICs) into a new category called NBFC - Investment and Credit Company (NBFC-ICC). Further, differential regulations relating to bank’s exposure to the three categories of NBFCs viz., AFCs, LCs and ICs were harmonised. Further, a deposit taking NBFC-ICC shall invest in unquoted shares of another company which is not a subsidiary company or a company in the same group of the NBFC, an amount not exceeding twenty per cent of its owned fund.

Our Company has been classified as an NBFC-ND-SI (“**NBFC-ND-SI**”).

Reserve Bank of India (Digital Payment Security Controls) directions, 2021

The RBI has given direction on February 18, 2021, which provides necessary guidelines for the regulated entities to set up robust governance structure and implement common minimum standards of security controls for digital payments products and services.
The directions shall be applicable to 4 (four) categories of the regulated entities: (i) SCBs (excluding Regional Rural Banks); (ii) small finance banks; (iii) payments banks; and (iv) credit card issuing non-banking financial companies. The master directions provide for a new set of regulatory guidelines for a safer and secure digital payment system. Amongst other things, the following are the key features of this direction:
(a) The direction requires the regulated entities to formulate a policy for digital payment products and services with the approval of their respective board of directors.
(b) The regulated entities are required to implement web application firewall solution and distributed denial of service (DDOS) mitigation techniques to secure the digital payment products and services offered over the internet.
(c) The regulated entities are required to have an escrow arrangement for the source code of digital payment applications that are licensed by a third-party vendor so as to ensure continuity of services in the event such third party vendor defaults or is unable to provide services.

Systemically Important NBFC-NDs

As per the NBFC Master Directions, the revised threshold for defining systemic significance for NBFCs-ND was introduced in the light of the overall increase in the growth of the NBFC sector. NBFCs-ND-SI will henceforth be those NBFCs-ND which have asset size of ₹ 5,000 million and above as per the last audited balance sheet. Moreover, as per this amendment, all NBFCs-ND with assets of ₹ 5,000 million and above, irrespective of whether they have accessed public funds or not, shall comply with prudential regulations as applicable to NBFCs-ND-SI. NBFCs- ND-SI is required to comply with conduct of business regulations if customer interface exists. All systemically important NBFCs are required to maintain a minimum Capital to Risk-Weighted Assets Ratio ("**CRAR**") of 15%.

Rating of NBFCs

Pursuant to the RBI circular DNBS (PD) CC. No.134/03.10.001/2008-2009 dated February 04, 2009, all NBFCs with an asset size of ₹ 5,000 million are required to, as per RBI instructions to, furnish information about downgrading or upgrading of the assigned rating of any financial product issued by them within 15 days of a change in rating.

Prudential Norms

The RBI Master Circular on Non-Banking Financial Company – Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 ("**ND-SI-Directions**"), amongst other requirements prescribe guidelines on NBFC-ND regarding income recognition, asset classification, provisioning requirements, constitution of an audit committee, capital adequacy requirements, concentration of credit/investment and norms relating to infrastructure loans. The ND-SI-Directions state that the credit/ investment norms shall not apply to a systemically important non-banking financial company not accessing public funds in India, either directly or indirectly, and not issuing guarantees.

Corporate governance norms

As per the ND-SI-Directions, all NBFC-ND-SI are required to adhere to certain corporate governance norms, including constitution of an audit committee, a nomination committee, an asset liability management committee and integrated risk management committee. NBFCs are required to furnish to the RBI a quarterly statement on change of directors, and a certificate from the managing director of the NBFC that fit and proper criteria in selection of the directors has been followed. Further, all applicable NBFCs shall have to frame their internal guidelines on corporate governance with the approval of its board of directors, enhancing the scope of the guidelines without sacrificing the spirit underlying the above guidelines and it shall be published on the company's web-site, if any, for the information of various stakeholders constitution of a nomination committee, an integrated risk management committee and certain other norms in connection with disclosure, transparency and connected lending has also been prescribed in the RBI Master Circular. Further, RBI *vide* notification dated November 10, 2014 has mandated the Audit Committee to ensure that an information systems audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the company. RBI has also mandated the NBFCs to have a policy to ascertain the 'fit and proper criteria' at the time of appointment of directors and on a continuing basis.

Provisioning Requirements

An NBFC-ND, after taking into account the time lag between an account becoming non-performing, its recognition, the realisation of the security and erosion overtime in the value of the security charged, shall make provisions against sub-standard assets, doubtful assets and loss assets in the manner provided for in the ND-SI-Directions.

In the interests of counter cyclicality and so as to ensure that NBFCs create a financial buffer to protect them from the effect of economic downturns, RBI vide their circular no. DNBS.PD.CC. No.207/ 03.02.002 /2010-11 dated January 17, 2011, introduced provisioning for Standard Assets by all NBFCs. NBFCs are required to make a general provision at 0.25% of the outstanding standard assets. RBI vide their circular no. DNBR (PD) CC No. 037/03.01.001/2014-15 dated June 11, 2015 raised the provision for standard assets to 0.40% to be met by March 2018. The provisions on standard assets are not reckoned for arriving at net NPAs. The provisions towards Standard Assets are not needed to be netted from gross advances but shown separately as 'Contingent Provisions against Standard Assets' in the balance sheet. NBFCs are allowed to include the 'General Provisions on Standard Assets' in Tier II capital which together with other 'general provisions/ loss reserves' will be admitted as Tier II capital only up to a maximum of 1.25% of the total risk-weighted assets.

Capital Adequacy Norms

Every NBFC-ND-SI is required to maintain, with effect from March 31, 2011, a minimum capital ratio consisting of Tier I and Tier II capital of not less than 15% of its aggregate risk weighted assets on balance sheet and of risk adjusted value of off-balance sheet items is required to be maintained. Also, the total of the Tier II capital of a NBFC-MFI shall not exceed 100% of the Tier I capital.

Tier-I Capital has been defined in the ND-SI Directions as, owned funds as reduced by investment in shares of other NBFCs and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, 10% of the owned fund and perpetual debt instruments issued by a systemically important NBFC-ND in each year to the extent it does not exceed 15% of the aggregate Tier I capital of such company as on March 31 of the previous accounting year.

Owned Funds has been defined in the ND-SI Directions as, paid-up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account; capital reserve representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of assets; less accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

Tier - II Capital has been defined in the ND-SI Directions, includes the following: (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of 55%; (c) general provisions (including that for standard assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one-and-one-fourth percent of risk weighted assets; (d) hybrid debt capital instruments; and (e) subordinated debt to the extent the aggregate does not exceed Tier - I capital; and (f) perpetual debt instrument issued by a systemically important NBFC-ND, which is in excess of what qualifies for Tier I Capital to the extent that the aggregate Tier-II capital does not exceed 15% of the Tier -I capital.

Hybrid debt means, capital instrument, which possess certain characteristics of equity as well as debt.

Subordinated debt means a fully paid up capital instrument, which is unsecured and is subordinated to the claims of other creditors and is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the supervisory authority of the NBFC. The book value of such instrument is subjected to discounting as prescribed.

Exposure Norms

In order to ensure better risk management and avoidance of concentration of credit risks, the RBI has, in terms of the ND-SI Directions, prescribed credit exposure limits for financial institutions in respect of their lending to single/ group borrowers. Credit exposure to a single borrower shall not exceed 15% of the owned funds of the systemically important NBFC-ND, while the credit exposure to a single group of borrowers shall not exceed 25% of the owned funds of the systemically important NBFC-ND. Further, the systemically important NBFC-ND may not invest in the shares of another company exceeding 15% of its owned funds, and in the shares of a single group of companies exceeding 25% of its owned funds. However, this prescribed ceiling shall not be applicable on a NBFC-ND-SI for investments in the equity capital of an insurance company to the extent specifically permitted by the RBI. Any NBFC-ND-SI not accessing public funds, either directly or indirectly may make an application to the RBI for modifications in the prescribed ceilings Any NBFC-ND-SI classified as asset finance company by RBI, may in exceptional circumstances, exceed the above ceilings by 5% of its owned fund, with the approval of its Board of Directors. The loans and investments of the systemically important NBFC-ND taken together may not exceed 25% of its owned funds to or in single party and 40% of its owned funds to or in single group of parties. An NBFC-ND-SI may, make an application to the RBI for modification in the prescribed ceilings. Further, NBFC ND SI may exceed the concentration of credit/investment norms, by 5% for any single party and by 10% for a single group of parties, if the additional exposure is on account of infrastructure loan and/or investment.

Asset Classification

The ND-SI-Directions require that every NBFC shall, after taking into account the degree of well-defined credit weaknesses and extent of dependence on collateral security for realisation, classify its lease/hire purchase assets, loans and advances and any other forms of credit into the following classes:

- Standard assets;
- Sub-standard Assets;

- Doubtful Assets; and
- Loss assets

Further, such class of assets would not be entitled to be upgraded merely as a result of rescheduling, unless it satisfies the conditions required for such upgradation. At present every NBFC is required to make a provision for standard assets at 0.40%.

Other stipulations

All NBFCs are required to frame a policy for demand and call loan that includes provisions on the cut-off date for recalling the loans, the rate of interest, periodicity of such interest and periodical reviews of such performance.

The prudential norms also specifically prohibit NBFCs from lending against its own shares.

Net Owned Fund

Section 45-IA of the RBI Act provides that to carry on the business of a NBFC, an entity would have to register as an NBFC with the RBI and would be required to have a minimum net owned fund of ₹ 20 million. For this purpose, the RBI Act has defined "net owned fund" to mean:

Net Owned Fund - The aggregate of the paid-up equity capital and free reserves as disclosed in the latest balance sheet of the company, after deducting (i) accumulated balance of losses, (ii) deferred revenue expenditure, (iii) deferred tax asset (net); and (iv) other intangible assets; and further reduced by the amounts representing, (i) investment by such companies in shares of:

(i) its subsidiaries, (ii) companies in the same group, (iii) other NBFCs; and

(ii) the book value of debentures, bonds, outstanding loans and advances (including hire purchase and lease finance) made to, and deposits with (i) subsidiaries of such companies; and (ii) companies in the same group, to the extent such amount exceeds 10% of (a) above.

Further, in accordance with the ND-SI Directions, a non-banking financial company holding a certificate of registration issued by the RBI and having minimum net owned fund of less than ₹ 20 million may continue to carry on the business of non-banking financial institution, if such company achieves net owned fund of ₹ 20 million before April 01, 2017.

Reserve Fund

In addition to the above, Section 45-IC of the RBI Act requires NBFCs to create a reserve fund and transfer therein a sum of not less than 20% of its net profits earned annually before declaration of dividend. Such a fund is to be created by every NBFC irrespective of whether it is a ND NBFC or not. Such sum cannot be appropriated by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation is required to be reported to the RBI within 21 days from the date of such appropriation.

Maintenance of liquid assets

The RBI through notification dated January 31, 1998, as amended has prescribed that every NBFC shall invest and continue to invest in unencumbered approved securities valued at a price not exceeding the current market price of such securities an amount which shall, at the close of business on any day be not less than 10% in approved securities and the remaining in unencumbered term deposits in any scheduled commercial bank; the aggregate of which shall not be less than 15% of the public deposit outstanding at the last working day of the second preceding quarter.

NBFCs such as the Company, which do not accept public deposits, are subject to lesser degree of regulation as compared to a NBFC-D and are governed by the RBI's Non- Deposit Accepting Companies Directions.

An NBFC-ND is required to inform the RBI of any change in the address, telephone no's, etc. of its registered office, names and addresses of its directors/auditors, names and designations of its principal officers, the specimen signatures of its authorised signatories, within one month from the occurrence of such an event. Further, an NBFC-ND would need to ensure that its registration with the RBI remains current.

All NBFCs (whether accepting public deposits or not) having an asset base of ₹ 1,000 million or more or holding public deposits of ₹ 200 million or more (irrespective of asset size) as per their last audited balance sheet are required to comply with the RBI Guidelines for an Asset-Liability Management System.

Similarly, all NBFCs are required to comply with "Know Your Customer Guidelines - Anti Money Laundering Standards" issued by the RBI, with suitable modifications depending upon the activity undertaken by the NBFC concerned.

Reserve Bank of India (Know Your Customer (KYC)) Master Directions, 2016 dated February 25, 2016, as amended ("RBI KYC Directions")

The RBI KYC Directions are applicable to every entity regulated by the RBI, specifically, scheduled commercial banks, regional rural banks, local area banks, primary (urban) co-operative banks, state and central co-operative banks, all India financial institutions, NBFCs, miscellaneous non-banking companies and residuary non-banking companies, amongst others. In terms of the RBI KYC Directions, every entity regulated thereunder is required to formulate a KYC policy which is duly approved by the board of directors of such entity or a duly constituted committee thereof. The KYC policy formulated in terms of the RBI KYC Directions is required to include four key elements, being customer acceptance policy, risk management, customer identification procedures and monitoring of transactions. It is advised that all NBFC'S adopt the same with suitable modifications depending upon the activity undertaken by them and ensure that a proper policy framework of anti-money laundering measures is put in place. The RBI KYC Directions provide for a simplified procedure for opening accounts by NBFCs. It also provides for an enhanced and simplified due diligence procedure. It has prescribed detailed instructions in relation to, inter alia, the due diligence of customers, record management, and reporting requirements to Financial Intelligence Unit – India. The RBI KYC Directions have also issued instructions on sharing of information while ensuring secrecy and confidentiality of information held by Banks and NBFCs. The regulated entities must also adhere to the reporting requirements under Foreign Account Tax Compliance Act and Common Reporting Standards. The RBI KYC Directions also require the regulated entities to ensure compliance with the requirements/obligations under international agreements. The regulated entities must also pay adequate attention to any money-laundering and financing of terrorism threats that may arise from new or developing technologies, and ensure that appropriate KYC procedures issued from time to time are duly applied before introducing new products/services/technologies. The RBI KYC Directions were updated on 20 April 2018 to enhance the disclosure requirements under the Prevention of Money-Laundering Act, 2002 and in accordance with the Prevention of Money-Laundering Rules vide Gazette Notification GSR 538 (E) dated June 01, 2017 and the final judgment of the Supreme Court in the case of Justice K.S. Puttaswamy (Retd.) & Another v. Union of India (Writ Petition (Civil) 494/2012). The Directions were updated to accommodate authentication as per the AADHAR (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 and use of an Indian resident's Aadhar number as a document for the purposes of fulfilling KYC requirement.

The RBI KYC Directions were further updated on January 09, 2020 with a view to leveraging the digital channels for customer identification process by regulated entities, whereby the RBI has decided to permit video-based customer identification process as a consent based alternate method of establishing the customer's identity, for customer onboarding.

Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs

On October 22, 2021, the RBI issued a notification on '*Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs*' (SBR Framework). The SBR Framework will come into effect from October 01, 2022 (except for certain compliance requirements relating to funding of initial public offerings (IPOs) which would be effective from April 01, 2022).

Under the SBR Framework, the RBI has introduced four scale-based layers for regulating NBFCs (base layer, middle layer, upper layer, and top layer). Going forward, all NBFCs will be bucketed and regulated under one of these layers.

The base layer will have non-deposit taking NBFCs with assets worth up to 10,000 million. Finance firms working as peer-to-peer (P2P) lending, account aggregator firms, non-operative financial holding company (NOFHC) and entities that do not avail of public funds or have any customer interface will also be in this layer. The middle layer will comprise deposit-taking NBFCs irrespective of asset size, non-deposit-taking firms with assets worth Rs 10,000 million or more, as well as housing finance firms. Standalone primary dealers, infrastructure debt fund investment companies and infrastructure finance companies will also come under this category. NBFCs which warrant enhanced regulatory requirements based on a set of parameters and scoring methodology will feature in the upper layer. The top-10 eligible NBFCs in terms of asset size will always be in the upper layer, irrespective of any other factor. The top layer can get populated if the regulator thinks there is a substantial increase in the potential risk from specific NBFCs in the upper layer.

The RBI has clarified that the existing regulations and directions notified for NBFCs will continue to apply other than the changes introduced under the SBR Framework.

Accounting Standards & Accounting policies

Subject to the changes in Indian Accounting Standards ("**IAS**") and regulatory environment applicable to a NBFC we may change our accounting policies in the future and it might not always be possible to determine the effect on the statement of profit and loss of these changes in each of the accounting years preceding the change. In such cases our profit/loss for the preceding years might not be strictly comparable with the profit/loss for the period for which such accounting policy changes are being made. The Ministry of Corporate Affairs has amended the existing IAS vide Companies (Indian Accounting Standards) (Amendment) Rules, 2017 on March 17, 2017 and the same is applicable to our Company from April 01, 2018.

Master Direction dated September 29, 2016 on Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016

All NBFC-ND-SIs shall put in place a reporting system for frauds and fix staff accountability in respect of delays in reporting of fraud cases to the RBI. An NBFC-ND-SI is required to report all cases of fraud of ₹1 lakhs and above, and if the fraud is of ₹10 million or above, the report should be sent in the prescribed format within three weeks from the date of detection thereof. The NBFC-ND-SI shall also report cases of fraud by unscrupulous borrowers and cases of attempted fraud.

Reporting by Statutory Auditor

The statutory auditor of the NBFC-ND is required to submit to the Board of Directors of the company along with the statutory audit report, a special report certifying that the Directors have passed the requisite resolution mentioned above, not accepted any public deposits during the year and has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it. In the event of non-compliance, the statutory auditor is required to directly report the same to the RBI.

Master Direction – Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016

In addition to the report made by the auditor under Section 143 of the Companies Act, 2013 on the accounts of an NBFC-ND-SI, the auditor shall make a separate report to the Board of Directors of the company on inter alia examination of validity of certificate of registration obtained from the RBI, whether the NBFC is entitled to continue to hold such certificate of registration in terms of its Principal Business Criteria (financial asset / income pattern) as on March 31 of the applicable year, whether the NBFC is meeting the required net owned fund requirement, whether the board of directors has passed a resolution for non-acceptance of public deposits, whether the company has accepted any public deposits during the applicable year, whether the company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it, whether the capital adequacy ratio as disclosed in the return submitted to the Bank in form NBS- 7, has been correctly arrived at and whether such ratio is in compliance with the minimum CRAR prescribed by the Bank, whether the company has furnished to the Bank the annual statement of capital funds, risk assets/exposures and risk asset ratio (NBS-7) within the stipulated period, and whether the non-banking financial company has been correctly classified as NBFC Micro Finance Institutions ("**MFI**").

Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016

All NBFCs are required to put in place a reporting system for filing various returns with the RBI. An NBFC-ND-SI is required to file on a quarterly basis a return on important financial parameters, including components of assets and liabilities, profit and loss account, exposure to sensitive sectors etc., NBS-7 on prudential norms on a quarterly basis, multiple returns on asset-liability management to address concerns regarding inter alia asset liability mismatches and interest rate risk, quarterly report on branch information, and Central Repository of Information on Large Credits ("**CRILC**") on a quarterly basis as well as all Special Mention Accounts-2 ("**SMA-2**") status on a weekly basis to facilitate early recognition of financial distress, prompt steps for resolution and fair recovery for lenders.

Master Direction on Information Technology Framework for the NBFC Sector, 2017

All systemically important NBFCs must implement the security enhancement requirements under the Master Direction with respect to enhancing security of its Information Technology/Information Security Framework ("**IT**") business continuity planning, disaster recovery and management. NBFCs must constitute an IT Strategy Committee and IT Steering Committee and formulate an IT and Information Security Policy in furtherance of the same. Further, a Cyber Crisis Management Plan must be formulated to address cyber intrusions and attacks. It has to be implemented by applicable NBFCs by June 2018.

The Master Directions on Prepaid Payment Instruments, 2021 (PPIs) - RBI Notification ("PPI Directions")

These master directions have recently superseded the Reserve Bank of India (Issuance and Operation of Prepaid Payment Instruments) Directions, 2017. The PPI Directions define prepaid payment instruments ("PPIs") as instruments that facilitate purchase of goods and services, financial services, remittance facilities, etc., against the value stored therein. All PPIs other than closed system PPIs are regulated by RBI and are of two types, i) small PPIs, which are issued after obtaining minimum details of the PPI holder and shall be used only for purchase of goods and services; and ii) Full KYC PPIs, issued after completing KYC of the PPI holder and shall be used for purchase of goods and services, funds transfer or cash withdrawal. The PPI Directions further regulate the operation of PPIs in India by governing aspects such as cross-border outward transactions and inward remittances through PPIs and prescribing transactional limits for each category of PPI.

Additionally, the PPI Directions provide that PPI issuers should implement interoperability amongst PPIs (issued by both bank and non-bank entities) and where PPIs are issued in the form of wallets, interoperability across PPIs shall be enabled through UPI.

Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs, 2017

With a view to put in place necessary safeguards applicable to outsourcing of activities by NBFCs, the RBI has issued directions on managing risks and code of conduct in outsourcing of financial services by NBFCs ("**Risk Management Directions**"). The Risk Management Directions specify that core management functions like internal auditing, compliance functions, decision making functions such as compliance with KYC norms shall not be outsourced by NBFCs. Further, the Risk Management Directions specify that outsourcing of functions shall not limit its obligations to its customers.

Financing of NBFCs by bank

The RBI by way of its notification no. RBI/2019-20/60/DBR.No.BP.BC.18/21.01.003/2019-20 dated September 12, 2019 ("**Framework**") amended the large exposures framework issued on December 1, 2016 vide notification no. RBI/2016-17/167/DBR.No.BP.BC.43/21.01.003/2-16-17 governing exposures norms and concentration risks concerning banks and NBFCs. The current Framework restricts the banks' exposure to a single NBFC (excluding gold loan companies) to 20% of its eligible capital base, with consideration of more stringent exposure limits set down in respect of certain categories of NBFCs based on risk perception. Furthermore, banks' exposure to a group of connected NBFCs or group of connected counterparties having NBFCs in the group stands restricted to 25% of their tier I capital. This Framework, notwithstanding the percentage increase in subsequent years, currently limits a bank's exposure to NBFCs.

Norms for excessive interest rates

In addition, the RBI has introduced *vide* a circular bearing reference number RBI/ 2006-07/ 414 dated May 24, 2007 whereby RBI has requested all NBFCs to put in place appropriate internal principles and procedures in determining interest rates and processing and other charges. In addition to the aforesaid instruction, the RBI has issued a Master Circular on Fair Practices Code dated July 1, 2015 for regulating the rates of interest charged by the NBFCs. These circulars stipulate that the board of each NBFC is required to adopt an interest rate model taking into account the various relevant factors including cost of funds, margin and risk premium. The rate of interest and the approach for gradation of risk and the rationale for charging different rates of interest for different categories of borrowers are required to be disclosed to the borrowers in the application form and expressly communicated in the sanction letter. Further, this is also required to be made available on the NBFCs website or published in newspapers and is required to be updated in the event of any change therein. Further, the rate of interest would have to be an annualised rate so that the borrower is aware of the exact rates that would be charged to the account.

Supervisory Framework

In order to ensure adherence to the regulatory framework by systemically important ND-NBFCs, the RBI has directed such NBFCs to put in place a system for submission of an annual statement of capital funds, and risk asset ratio etc. as at the end of March every year, in a prescribed format. This return is to be submitted electronically within a period of three months from the close of every financial year. Further, a NBFC is required to submit a certificate from its statutory auditor that it is engaged in the business of non-banking financial institution with requirement to hold a certificate of registration under the RBI Act. This certificate is required to be submitted within one month of the date of finalisation of the balance sheet and in any other case not later than December 30 of that particular year. Further, in addition to the auditor's report under Section 143 of the Companies Act, 2013 the auditors are also required to make a separate report to the Board of Directors on certain matters, including correctness of the capital adequacy ratio as disclosed in the return NBS-7 to be filed with the RBI and its compliance with the minimum CRAR, as may be prescribed by the RBI. Where the statement regarding any of the items referred relating to the above, is unfavorable or qualified, or in the opinion of the auditor the company has not complied with the regulations issued by RBI , it shall be the obligation of the auditor to make a report containing the details of such unfavourable or qualified statements and/or about the non-compliance, as the case may be, in respect of the company to the concerned regional office of the Department of Non-Banking Supervision of the Bank under whose jurisdiction the registered office of the company is located.

Asset Liability Management

The RBI has prescribed the Guidelines for Asset Liability Management ("**ALM**") System in relation to NBFCs ("**ALM Guidelines**") that are applicable to all NBFCs through a Master Circular on Miscellaneous Instructions to All Non-Banking Financial Companies dated July 1, 2015. As per this Master Circular, the NBFCs (engaged in and classified as equipment leasing, hire purchase finance, loan, investment and residuary non-banking companies) meeting certain criteria, including, an asset base of ₹10,000 lakhs, irrespective of whether they are accepting / holding public deposits or not, or holding public deposits of ₹2,000 lakhs or more (irrespective of the asset size) as per their audited balance sheet as of March 31, 2001, are required to put in place an ALM system. The ALM Guidelines mainly address liquidity and interest rate risks. In case of structural liquidity, the negative gap (i.e. where outflows exceed inflows) in the 1 to 30/31 days' time-bucket should not exceed the prudential limit of 15% of cash outflows of each time-bucket and the cumulative gap of up to one year should not exceed 15% of the cumulative cash outflows of up to one year. In case these limits are exceeded, the measures proposed for bringing the gaps within the limit should be shown by a footnote in the relevant statement.

Foreign Investment Regulations

Foreign investment in Indian securities is regulated through the consolidated Foreign Direct Investment ("**FDI**") Policy and Foreign Exchange Management Act, 1999 ("**FEMA**"). The government bodies responsible for granting foreign investment approvals are the concerned ministries/ departments of the Government of India and the RBI. The Union Cabinet has approved phasing out the Foreign Investment Promotion Board, as provided in the press release dated May 24, 2017. Accordingly, pursuant to the office memorandum dated June 05, 2017, issued by the Department of Economic Affairs, Ministry of Finance, approval of foreign investment under the FDI policy has been entrusted to concerned ministries/departments. Subsequently, the Department of Industrial Policy & Promotion ("**DIPP**") issued the Standard Operating Procedure (SOP) for Processing FDI Proposals on June 29, 2017 (the "**SOP**"). The SOP provides a list of the competent authorities for granting approval for foreign investment for sectors/activities requiring Government approval. For sectors or activities that are currently under automatic route but which required Government approval earlier as per the extant policy during the relevant period, the concerned administrative ministry/department shall act as the competent authority (the "**Competent Authority**") for the grant of post facto approval of foreign investment. In circumstances where there is a doubt as to which department shall act as the Competent Authority, the DIPP shall identify the Competent Authority. The DIPP has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendment to FEMA. In case of any conflict FEMA prevails.

The Consolidated FDI Policy consolidates the policy framework in place as on August 27, 2017. Further, on January 04, 2018 the RBI released the Master Direction on Foreign Investment in India. Under the approval route, prior approval from the FIPB or RBI is required. FDI for the items/activities that cannot be brought in under the automatic route may be brought in through the approval route. Approvals are accorded on the recommendation of the FIPB, which is chaired by the Secretary, DIPP, with the Union Finance Secretary, Commerce Secretary and other key

Secretaries of the Government of India as its members.

As per the sector specific guidelines of the Government of India, 100% FDI/ Non-Resident Indian ("**NRI**") investments are allowed under the automatic route in certain NBFC activities subject to compliance with guidelines of the RBI in this regard.

The Recovery of Debts due to Banks and Financial Institutions Act, 1993

The Recovery of Debts due to Banks and Financial Institutions Act, 1993 (the "**DRT Act**") provides for establishment of the Debts Recovery Tribunals (the "**DRTs**") for expeditious adjudication and recovery of debts due to banks and public financial institutions or to a consortium of banks and public financial institutions. Under the DRT Act, the procedures for recovery of debt have been simplified and time frames have been fixed for speedy disposal of cases. The DRT Act lays down the rules for establishment of DRTs, procedure for making application to the DRTs, powers of the DRTs and modes of recovery of debts determined by DRTs. These include attachment and sale of movable and immovable property of the defendant, arrest of the defendant and defendant's detention in prison and appointment of receiver for management of the movable or immovable properties of the defendant.

The DRT Act also provides that a bank or public financial institution having a claim to recover its debt may join an ongoing proceeding filed by some other bank or public financial institution against its debtor at any stage of the proceedings before the final order is passed by making an application to the DRT.

On June 7, 2019, the RBI released the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions 2019 ("**Prudential Framework**") with a view to providing a framework for early recognition, reporting and time bound resolution of stressed assets, applicable to Scheduled Commercial Banks (excluding Regional Rural Banks), All India Term Financial Institutions (NABARD, NHB, EXIM Bank and SIDBI), Small Finance Banks, NBFC-Ds and NBFC-ND-SIs. With the introduction of the Prudential Framework, all extant instructions on resolution of stressed assets such as Framework for Revitalising Distressed Assets, Corporate Debt Restructuring Scheme, Flexible Structuring of Existing Long Term Project Loans, Strategic Debt Restructuring Scheme, Change in Ownership outside SDR and Scheme for Sustainable Structuring of Stressed Assets shall stand withdrawn with immediate effect. The Joint Lenders' Forum has also been discontinued. Consequently, for the resolution of stressed assets, lenders may hereafter proceed only under the Prudential Framework. Unlike the prior frameworks, it appears that the Prudential Framework is intended to provide a fair amount of flexibility to lenders to use their commercial and economic judgment to put in place a resolution strategy.

The Prevention of Money Laundering Act, 2002

The RBI has issued a Master Circular dated July 1, 2015 to ensure that a proper policy frame work for the Prevention of Money Laundering Act, 2002 ("**PMLA**") is put into place. The PMLA seeks to prevent money laundering and provides for confiscation of property derived from, or involved in money laundering and for other matters connected therewith or incidental thereto. It extends to all banking companies, financial institutions, including NBFCs and intermediaries. Pursuant to the provisions of PMLA and the RBI guidelines, all NBFCs are advised to appoint a principal officer for internal reporting of suspicious transactions and cash transactions and to maintain a system of proper record (i) for all cash transactions of value of more than ₹ 10 lakhs; (ii) all series of cash transactions integrally connected to each other which have been valued below ₹ 10 lakhs where such series of transactions have taken place within one month and the aggregate value of such transaction exceeds ₹ 10 lakhs. Further, all NBFCs are required to take appropriate steps to evolve a system for proper maintenance and preservation of account information in a manner that allows data to be retrieved easily and quickly whenever required or when requested by the competent authorities. Further, NBFCs are also required to maintain for at least ten years from the date of transaction between the NBFCs and the client, all necessary records of transactions, both domestic or international, which will permit reconstruction of individual transactions (including the amounts and types of currency involved if any) so as to provide, if necessary, evidence for prosecution of persons involved in criminal activity.

Additionally, NBFCs should ensure that records pertaining to the identification of their customers and their address are obtained while opening the account and during the course of business relationship, and that the same are properly preserved for at least ten years after the business relationship is ended. The identification records and transaction data is to be made available to the competent authorities upon request.

RBI Notification dated December 03, 2015 titled "Anti-Money Laundering (AML)/ Combating of Financing of Terrorism (CFT) – Standards" states that all regulated entities (including NBFCs) are to comply with the updated FATF Public Statement and document 'Improving Global AML/CFT Compliance: on-going process' as on October

23, 2015.

The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002

The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (the "**SARFAESI Act**") regulates the securitization and reconstruction of financial assets of banks and financial institutions. The SARFAESI Act provides for measures in relation to enforcement of security interests and rights of the secured creditor in case of default.

The RBI has issued guidelines to banks and financial institutions on the process to be followed for sales of financial assets to asset reconstruction companies. These guidelines provide that a bank or a financial institution may sell financial assets to an asset reconstruction company provided the asset is a NPA. A bank or financial institution may sell a financial assets only if the borrower has a consortium or multiple banking arrangements and at least 75% by value of the total loans to the borrower are classified as a NPA and at least 75% by the value of the banks and financial institutions in the consortium or multiple banking arrangement agree to the sale. These assets are to be sold on a "without recourse" basis only.

The SARFAESI Act provides for the acquisition of financial assets by securitisation company or reconstruction company from any bank or financial institution on such terms and conditions as may be agreed upon between them. A securitization company or reconstruction company having regard to the guidelines framed by the RBI may, for the purposes of asset reconstruction, provide for measures such as the proper management of the business of the borrower by change in or takeover of the management of the business of the borrower, the sale or lease of a part or whole of the business of the borrower and certain other measures such as rescheduling of payment of debts payable by the borrower and enforcement of security.

Additionally, under the provisions of the SARFAESI Act, any securitization company or reconstruction company may act as an agent for any bank or financial institution for the purpose of recovering its dues from the borrower on payment of such fee or charges as may be mutually agreed between the parties.

Insolvency and Bankruptcy Code, 2016 (the "IB Code")

The IB Code primarily enables time-bound reorganisation and insolvency resolution of debtors. The primary objectives of the IB Code are:

i. to consolidate and amend the laws relating to reorganisation and insolvency resolution of corporate persons, partnership firms and individuals in a time bound manner for maximisation of value of assets of such persons;

ii. to promote entrepreneurship, availability of credit and balance the interests of all the stakeholders, including alteration in the order of priority of payment of Government dues; and

iii. to establish an Insolvency and Bankruptcy Board of India.

The IB Code specifies two different sets of adjudicating authorities to exercise judicial control over the insolvency and liquidation processes:

i. In case of companies, limited liability partnerships and other limited liability entities, National Company Law Tribunals ("**NCLT**") shall act as the adjudicating authority; and appeals therefrom shall lie with the National Company Law Appellate Tribunal ("**NCLAT**").

ii. In case of individuals and partnerships, Debt Recovery Tribunal ("**DRT**") shall act as the adjudicating authority; and appeals therefrom shall lie with the Debt Recovery Appellate Tribunal ("**DRAT**").

The Supreme Court of India shall have appellate jurisdiction over NCLAT and DRAT. The IB Code governs two corporate insolvency processes, i.e. (i) insolvency resolution; and (ii) liquidation:

i. *Insolvency resolution:* Upon a default by a corporate debtor, a creditor or the debtor itself may initiate insolvency resolution proceedings. The IB Code prescribes a timeline of 180 days for the insolvency resolution process, subject to a single extension of 90 days, during which there shall be a moratorium on the institution or continuation of suits of the debtor, or interference with its assets. During such period, the creditors and the debtor will be expected to negotiate and finalise a resolution plan, with the assistance of insolvency resolution professionals to be appointed by a committee of creditors formed for this purpose. Upon approval of such a plan by the adjudicating authority, the same shall become binding upon the creditors and the debtor.

ii. *Liquidation:* In the event that no insolvency resolution is successfully formulated, or if the adjudicating authority so decides, a liquidation process may be initiated against the debtor. A liquidator is appointed, who takes the assets and properties of the debtor in his custody and verifies claims of creditors, before selling such assets and properties and distributing the proceeds therefrom to creditors.

The bankruptcy of an individual can be initiated by the debtor, the creditors (either jointly or individually) or by any partner of a partnership firm (where the debtor is a firm), only after the failure of the Insolvency Resolution Process (IRP) or non-implementation of repayment plan. The bankruptcy trustee is responsible for administration of the estate of the bankrupt and for distribution of the proceeds on basis of the priority set out in the IB Code.

In addition, the IB Code establishes and provides for the functioning of the Insolvency and Bankruptcy Board of India ("**IBBI**") which functions as the regulator for matters pertaining to insolvency and bankruptcy. The IBBI exercises a range of legislative, administrative and quasi-judicial functions, *inter alia* in relation to the registration, regulation and monitoring of insolvency professional agencies, insolvency professionals and information utilities; publish information, data, research and studies as may be specified; constitute committees as may be required; and make regulations and guidelines in relation to insolvency and bankruptcy.

Companies Act, 2013

The Companies Act, 2013 ("**Companies Act**") has been notified by the Government of India on August 30, 2013 (the "**Notification**"). Under the Notification, Section 1 of the Companies Act has come into effect and the remaining provisions of the Companies Act have and shall come into force on such dates as the Central Government has notified and shall notify. Section 1 of the Companies Act deals with the commencement and application of the Companies Act and among others sets out the types of companies to which the Companies Act applies. Further the Ministry of Corporate Affairs has by their notifications dated September 12, 2013 and March 26, 2014 notified certain sections of the Companies Act, which have come into force from September 12, 2013 and April 01, 2014.

The Companies Act provides for, among other things, changes to the regulatory framework governing the issue of capital by companies, corporate governance, audit of financial statements, corporate social responsibility, requirements for independent directors, director's liability, class action suits, and the inclusion of women directors on the boards of companies. The Companies Act is complemented by a set of rules that set out the procedure for compliance with the substantive provisions of the Companies Act. As mentioned above, most of the provisions of the Companies Act, 2013 have already come into force and the rest shall follow in due course.

Under the Companies Act every company having net worth of ₹ 5,000 million or more, or turnover of ₹ 10,000 million or more or a net profit of ₹ 50 million or more during the immediately preceding financial year shall constitute a corporate social responsibility committee, which shall formulate a corporate social responsibility policy. Further, the board of every such company shall ensure that the company spends, in every financial year, at least two percent of the average net profits of the company made during the three immediately preceding financial years in pursuance of its corporate social responsibility policy.

Registration of a charge under the Companies Act 2013

Under the Companies Act 2013, our Company is required to register a charge on its property or assets or any of its undertakings, whether tangible or otherwise by filing the relevant form with the RoC along with the instrument creating this charge within 30 days of its creation by paying a prescribed fee. No charge created by a company will be taken into account by the liquidator or any other creditor unless it is duly registered and a certificate of registration of such charge is given by the Registrar of Companies.

If the particulars of a charge are not filed within the aforesaid period but filed within a period of 300 days of such creation or modification, in cases of charges created before the commencement of the Companies (Amendment) Act, 2019, or within a period of 60 days, in cases of charges created on or after the commencement of the Companies (Amendment) Act, 2019, an additional fee shall be levied. Further, our Company is required to keep at its registered office a register of charges and enter therein particulars of all the charges registered with the RoC on any of the property, assets or undertakings of our Company as well as particulars of any modification of a charge and satisfaction of charge. The entries in the register of charges of the Company shall be made forthwith after the creation, modification or satisfaction of charge, as the case may be.

Where a charge is registered with the RoC, they will issue a certificate of registration of such charge to the person in whose favour the charge is created.

SEBI Regulations

The Securities and Exchange Board of India ("SEBI") governs listed entities pursuant to the powers granted to it under the Securities and Exchange Board of India Act, 1992 as amended from time to time. In pursuance of these powers, SEBI prescribes regulations with respect to listed entities, ensuring high standards of investor safety and corporate governance. SEBI (Listing Obligations and Disclosure Requirements), 2015, as amended from time to time, list out the continuous disclosure obligations of a listed entity for securing transparency in process and ethical capital market dealings.

SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 ("SEBI NCS Regulations")

The Securities and Exchange Board of India, on August 09, 2021, notified the SEBI NCS Regulations, thereby merging the SEBI (Issue and Listing of Debt Securities) Regulations ("**SEBI Debt Regulations**") and the SEBI (Non-Convertible Redeemable Preference Shares) Regulations, 2013 ("**NCRPS Regulations**") into a single regulation. The proposal to merge the two regulations was first introduced by way of a consultation paper released on May 19, 2021, which sought to align the extant regulations with the provisions of the Companies Act 2013, and incorporate the enhanced obligations of debenture trustees, informal guidances and provisions of circulars issued by SEBI. The SEBI NCS Regulations came in to force from the seventh day of their notification in the gazette, i.e. from August 16, 2021. The SEBI Debt Regulations and the NCRPS Regulations stand repealed from this date.

The SEBI NCS Regulations have aligned the extant regulations with the provisions of the Companies Act 2013, and incorporate the enhanced obligations of debenture trustees, informal guidance and provisions of circulars issued by SEBI. The SEBI NCS Regulations apply to: (i) the issuance and listing of debt securities and non-convertible redeemable preference shares (NCRPS) by an issuer by way of public issuance; (ii) issuance and listing of non-convertible securities by an issuer issued on private placement basis which are proposed to be listed; and (iii) listing of commercial paper issued by an issuer in compliance with the guidelines framed by the RBI.

In addition to collating the existing provisions of the erstwhile regulations, the SEBI NCS Regulations, also provide for, change in disclosure requirements for financial and other information from past five years to three years; parameters for identification of risk factors; removal of restriction of four issuances in a year through a single shelf prospectus; and filing of shelf prospectus post curing of defaults.

SEBI Operational Circular for issue and listing of Non-Convertible Securities (NCS), Securitised Debt Instruments (SDI), Security Receipts (SR), Municipal Debt Securities and Commercial Paper (CP) on August 10, 2021 ("SEBI Operational Circular")

Following the SEBI's notification of the SEBI NCS Regulations, to merge the SEBI Debt Regulations and the NCRPS Regulations into a single regulation, SEBI has issued the SEBI Operational Circular. Since the notification of the SEBI Debt Regulations and the NCRPS Regulations, SEBI had issued multiple circulars covering the procedural and operational aspects of the substantive law in these regulations. Therefore, the process of merging these regulations into the SEBI NCS Regulations also entails consolidation of the related existing circulars into a single SEBI Operational Circular, in alignment with the NCS Regulations. The stipulations contained in such circulars have been detailed chapter-wise in the SEBI Operational Circular. Accordingly, the circulars listed at Annex - 1 of the SEBI Operational Circular, stand superseded by the SEBI Operational Circular.

Laws Relating to Employment

Shops and Establishments legislations in various states

The provisions of various Shops and Establishments legislations, as applicable, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of *inter-alia* registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

Labour Laws

India has stringent labour related legislations. Our Company is required to comply with various labour laws, including the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, the Payment of Wages Act, 1936, the Payment of Gratuity Act, 1972 and the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, as may be updated from time to time.

With a view to reform the archaic labor laws and to facilitate the ease of doing business in India, the President of India has assented to consolidate 29 central labor laws into four labor codes that are yet to be implemented, namely:
(i) The Code on Wages, 2019;
(ii) The Code on Social Security, 2020;
(iii) The Occupational Safety, Health and Working Conditions Code, 2020; and
(iv) The Industrial Relations Code, 2020.

Laws relating to Intellectual Property

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 legislations and other applicable statutes.

Regulatory measures on account of the COVID-19 pandemic

The RBI has issued circulars, the Statement of Developmental and Regulatory Policies dated May 22, 2020 and Monetary Policy Statement, 2020-2021: Resolution of Monetary Policy Committee dated May 22, 2020 announcing certain additional regulatory measures with an aim to revive growth and mitigate the impact of COVID-19 on business and financial institutions in India, including:

(a) permitting banks to grant a moratorium of six months on all term loan instalments and working capital facilities sanctioned in the form of cash credit/overdraft ("**CC/OD**"), falling due between March 01, 2020 and August 31, 2020, subject to the fulfilment of certain conditions;

(b) permitting the recalculation of 'drawing power' of working capital facilities sanctioned in the form of cash/ credit overdraft facilities by reducing the margins till the extended period, being August 31, 2020, and permitting lending institutions to restore the margins to the original levels by March 31, 2021;

(c) permitting the increase in the bank's exposures to a group of connected counterparties from 25% to 30% of the eligible capital base of the bank, up to June 30, 2021;

(d) deferring the recovery of the interest applied in respect of all working capital facilities sanctioned in the form of cash/credit overdraft facilities during the period from March 01, 2020 to August 31, 2020;

(e) permitting lending institutions to convert the accumulated interest on working capital facilities up to the deferment period (up to August 31, 2020) into a funded interest term loan which shall be repayable not later than the end of the current financial year (being, March 31, 2021);

(f) permitting the lending institutions to exclude the moratorium period wherever granted in respect of term loans as stated in(a) above, from the number of days past-due for the purpose of asset classification under the income recognition and asset classification norms, in respect of accounts classified as standard as on February 29, 2020, even if overdue;

(g) permitting the lending institutions to exclude deferment period on recovery of the interest applied, wherever granted as stated in (d) above, for the determination of out of order status, in respect of working capital facilities sanctioned in the form of CC/OD where the account is classified as standard, including special mention accounts, as on February 29, 2020; and

(h) requiring lending institutions to make general provisions of not less than 10% of the total outstanding of accounts in default but standard as on February 29, 2020 and asset classification benefit is availed, to be phased over two quarters as provided:(i) not less than 5% for the quarter ended March 31, 2020; and (ii) not less than 5% for the quarter ended June 30, 2020, subject to certain adjustments.

Further, RBI has on August 06, 2020 notified the "Resolution framework for COVID-19 related stress" (the "**Resolution Framework**"). Pursuant to the Resolution Framework, RBI has on September 07, 2020, which requires all lending institutions to mandatorily consider certain specified key ratios while finalizing the resolution plans in respect of eligible borrowers (in terms of the Resolution Framework).

Lending institutions are required to consider the following financial ratios: (i) total outside liabilities / adjusted tangible net worth; (ii) total debt / EBITDA; (iii) current ratio; (iv) debt service coverage ratio; and (v) average debt service coverage ratio, in terms of this circular.

The various requirements of the Resolution Framework dated September 07, 2020 such as the mandatory requirement of an Inter- Creditor Agreement ('ICA'), and the maintenance of an escrow account are required to be implemented at the borrower account level. Further, the RBI has mandated that an invocation of a resolution plan cannot be treated as a substitute for the signing of an ICA.

The Government of India on October 23, 2020 has announced the 'Scheme for grant of ex -gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (1.3.2020 to 31.8.2020)' (the 'Scheme'), which mandates ex-gratia payment to certain categories of borrowers by way of crediting the difference between simple interest and compound interest for the period between March 01, 2020 to August 31, 2020 by the respective lending institutions.

It must be noted that pursuant order dated September 10, 2020 passed in relation to Gajendra Sharma vs. Union of India & Anr. (Civil Writ Petition No. 825/2020), the Supreme Court imposed status quo with respect to the moratorium, extending the moratorium until further hearing. The Supreme Court ("Court") on the hearing dated November 27, 2020 acknowledged that the Union of India vide its circular dated October 23, 2020 has taken specific measures. The Court disposed the petition with directions to the respondents to ensure that all steps be taken to implement the decision dated 23.10.2020 of the Government of India, Ministry of Finance so that benefit as contemplated by the Government of India percolates to those for whom the financial benefits have been envisaged and extended.

RBI circular on Asset Classification and Income Recognition following the expiry of COVID-19 regulatory package dated April 07, 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, to immediately put in place a board approved policy to refund/ adjust the 'interest on interest' charged to borrowers during the moratorium period, i.e., March 01, 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.

Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses dated May 05, 2021 and June 04, 2021

The RBI has issued Resolution Framework – 2.0 dated May 05, 2021 announcing measures to alleviate the potential stress to individual borrowers and small businesses due to the resurgence of COVID-19 pandemic in India, including:

(a) permitting lending institutions to offer a limited window to individual borrowers and small businesses, including those in wholesale and retail trade, who have availed personal loans and to whom the aggregate exposure is not of more than 250 million as on March 31, 2021 to implement resolution plans for their credit exposure;

(b) permitting lending institutions to form policies regarding the implementation of viable resolution plan for borrowers having stress on account of COVID – 19 and to ensure implementation before September 30, 2021 when the borrower and the lending institution agree towards a resolution plan;

(c) the resolution plan as stated in (b) should be implemented within 90 days from the date of invocation of resolution process and includes rescheduling of payments, conversion of any interest accrued or to be accrued into another credit facility etc, with a moratorium period of not more than two years on implementation of the resolution plan;

(d) permitting lending institutions to sanction additional finance even before implementation of the plan to meet the interim liquidity requirements of the borrower, to be classified as 'Standard' till implementation of the plan otherwise as per the actual performance of the borrower in case the resolution plan is not implemented within the set timeline;

(e) permitting lending institutions to keep from the date of implementation, higher of the provisions as per IRAC norms immediately before implementation or 10% the renegotiated debt exposure of the lending institution post implementation;

(f) half of provisions mentioned in (e) can be written back upon the borrower paying at least 20 per cent of the residual debt without slipping into NPA and the remaining half can be written back upon the borrower paying another 10 % of the residual debt without slipping into NPA;

(g) permitting the moratorium for resolution plans implemented in terms of Resolution Framework – 1.0 to be extended to not more than two years;

(h) permitting the lending institutions to review the working capital sanctioned limits and / or drawing power based on a reassessment of the working capital cycle, reduction of margins, etc. without the same being treated as restructuring for resolution plans implemented in terms of Resolution Framework – 1.0 before September 30, 2021 and to restore the working capital limit as per Resolution Framework – 1.0 before March 31, 2022.

The RBI further through a circular dated June 04, 2021 revised the aggregate exposure limit, including non-fund based facilities, as stated in (a), from ₹2500 lakhs to ₹5000 lakhs.

OUR MANAGEMENT

Board of Directors

The general supervision, direction and management of our Company, its operations and business are vested in the Board, which exercises its power subject to the Memorandum and Articles of Association of our Company and the requirements of the applicable laws. Our Company currently has seven Directors on its Board.

The composition of the Board is in conformity with section 149 of the Companies Act, 2013 and is governed by the Articles of Association of our Company. At our Company's annual general meeting, one-third of the Directors for the time being who are liable to retire by rotation shall retire from office. A retiring director is eligible for re-election. The quorum for meetings of the Board of Directors is one-third of the total number of Directors, or two Directors, whichever is higher, provided that where at any time the number of interested Directors exceeds or is equal to two-third of the total strength the number of remaining Directors present at the meeting, being not less than two, shall be the quorum.

Out of the seven Directors, we have one Whole-time Director and Chief Executive Officer, four Non-Executive Directors and two Independent Directors on our Board.

The following table sets forth details regarding the Board as on the date of this Prospectus:

Name, Address, DIN, Nationality, Occupation, Term and Date of Appointment/Re-Appointment	Age	Designation	Other Directorships (as on the date of this Prospectus)
Mr. Pinank Jayant Shah **Address:** Flat No. 5, Prabhudas Building No. 9A, St. Xaviers School Road, Opp. Church Vile Parle, (West) Mumbai, Maharashtra – 400 056 **DIN:** 07859798 **Nationality:** Indian **Occupation:** Professional **Term:** For a period of five years, commencing from September 14, 2017 **Date of appointment:** September 14, 2017	42	Whole-time Director and Chief Executive Officer	• Dhani Services Limited *(formerly Indiabulls Ventures Limited)* • TranServ Limited
Mr. Gagan Banga **Address:** Flat No. 303, Tower A, Raheja Vivarea, Dr. A.L. Nair Road, Sane Guruji Marg, Mahalaxmi, Mumbai-400011, Maharashtra **DIN:** 00010894 **Nationality:** Indian **Occupation:** Professional **Term:** Liable to retire by rotation **Date of appointment:** March 22, 2018	46	Non-Executive Director	• Dhani Services Limited *(formerly Indiabulls Ventures Limited)* • Indiabulls Housing Finance Limited • GSB Advisory Services Private Limited • Indiabulls Distribution Services Limited

Name, Address, DIN, Nationality, Occupation, Term and Date of Appointment/Re-Appointment	Age	Designation	Other Directorships (as on the date of this Prospectus)
Mr. Ajit Kumar Mittal **Address:** A-403, Ashok Garden, Thokarsi Jivraj Road Shivadi, Mumbai – 400015, Maharashtra **DIN:** 02698115 **Nationality:** Indian **Occupation:** Professional **Term:** Liable to retire by rotation **Date of appointment:** September 14, 2017	62	Non-Executive Director	• Indiabulls Housing Finance Limited • Indiabulls Trustee Company Limited • Indiabulls Commercial Credit Limited • Indiabulls Asset Reconstruction Company Limited • Indiabulls Life Insurance Company Limited • Yaarii Digital Integrated Services Limited *(formerly Indiabulls Integrated Services Limited)* • TranServ Limited
Mr. Nafees Ahmed **Address:** F081 DLF The Primus Sector 82A Badshahpur (87), Gurugram 122004 **DIN:** 03496241 **Nationality:** Indian **Occupation:** Professional **Term:** Liable to retire by rotation **Date of appointment:** September 14, 2017	49	Non-Executive Director	• Lorena Developers Limited • Lorena Real Estate Limited • Lorena Infrastructure Limited • Lorena Constructions Limited • Parmida Properties Limited • Lorena Builders Limited • Ivonne Infrastructure Limited
Ms. Preetinder Virk **Address:** H. No.- 1139, Sector – 13, Urban Estate, Karnal, Haryana – 132001 **DIN:** 02398827 **Nationality:** Indian **Occupation:** Lawyer **Term:** Liable to retire by rotation **Date of appointment:** December 04, 2018	38	Non-Executive Director	• Securitrust Corporate Services Private Limited • Indiabulls Asset Management Company Limited • Indiabulls Infraestate Limited • Indiabulls Property Management Trustee Pte Limited
Brig. Labh Singh Sitara (Retd.) **Address:** H. No. 50, New Officers Colony, Patiala, Punjab – 147 001 **DIN:** 01724648 **Nationality:** Indian **Occupation:** Ex-army officer	82	Independent Director	• SORIL Infra Resources Limited

Name, Address, DIN, Nationality, Occupation, Term and Date of Appointment/Re-Appointment	Age	Designation	Other Directorships (as on the date of this Prospectus)
Term: For a period of five years, commencing from September 14, 2017 **Date of appointment:** September 14, 2017			
Dr. Narendra Damodar Jadhav **Address:** House No. 32, Dr. Rajendra Prasad Road, Near Andhra Bhawan, New Delhi, Delhi – 110001 **DIN:** 02435444 **Nationality:** Indian **Occupation:** Member of Parliament (Rajya Sabha) **Term: Term:** For a period of three years, commencing from November 17, 2020 **Date of appointment:** November 17, 2020	68	Independent Director	• Sustainable Agro-Commercial Finance Limited • Tata Teleservices Limited • Tata Teleservices (Maharashtra) Limited • Jain Irrigation Systems Limited • Dhani Services Limited *(formerly Indiabulls Ventures Limited)*

Brief biographies of our Directors

Mr. Pinank Jayant Shah, aged 42 years, is a Whole-time Director on our Board and Chief Executive Officer of our Company. He holds a bachelor's degree in commerce from Mumbai University and a master's degree in management studies (finance) from Jamnalal Bajaj Institute of Management Studies. He has over 16 years of experience in retail lending, corporate lending and fund raising. Prior to joining our Company, he was associated with Indiabulls Housing Finance Limited and Housing Development Finance Corporation Limited.

Mr. Gagan Banga, aged 46 years, is a Non-Executive Director on our Board. He holds a post-graduate diploma in management from Goa Institute of Management. He has over 18 years' of experience in the business of NBFCs and HFCs. He has been named amongst the most valuable chief executive officers by BW Business world.

Mr. Ajit Kumar Mittal, aged 62 years, is a Non-Executive Director on our Board. He holds a bachelor's degree in arts, a master's degree in economics from Kurukshetra University, and a master's degree in science (business administration programme) from the University of Illinois, USA. Prior to joining our Company, Mr. Mittal was associated with the RBI in various positions, including as its general manager (banking supervision).

Mr. Nafees Ahmed, aged 49 years, is a Non-Executive Director on our Board. He holds a bachelor's degree in chemical engineering from the Indian Institute of Technology, Delhi. He has more than 13 years of experience in the IT sector. He was awarded "The Digital Innovators - Honoree 2017" at CIO100 Symposium and Awards Ceremony, "CIO Power list 2017 – Mobility Icon" and "50 Most Innovative CIOs/ CTOs of India" by India's Greatest.com.

Ms. Preetinder Virk, aged 38 years, is a Non-Executive Director on our Board. She holds a bachelor's degree in commerce from Kurukshetra University and a bachelor's degree in law from Panjab University. She has been associated with Indiabulls Housing Finance Limited and previously, worked with Brahma City Private Limited and HDB Financial Services Limited (formerly Atlas Documentary Facilitators Company Private Limited).

Brig. Labh Singh Sitara (Retd.), aged 82 years, is an Independent Director on our Board. He holds a bachelor's degree in economics from the Punjab University. He has previously served in the Indian army and has been awarded with Dhyan Chand Award for lifetime achievement in games and sports by Ministry of Youth Affairs and Sports in the year 2004. He has won medals in the Asian Games in the year 1966 and 1970 and has also served as an honorary advisor to the Sports Department of the Government of Punjab and as a member of the planning committee of the Athletics Federation of India.

Dr. Narendra Damodar Jadhav, aged 68 years, is an Independent Director on our Board. He holds a Ph.D. in Economics from Indiana University, USA, and bachelor's and master's degrees from Bombay University, Mumbai. Currently, he is a Member of the Rajya Sabha nominated by the President of India. He has previously served in various esteemed positions including as Advisor to the Executive Director of the International Monetary Fund (1998-2001), Principal Advisor and Chief Economist, Department of Economic Analysis and Policy, Reserve Bank of India (2004-06), Vice-Chancellor of the University of Pune (2006-09), and Member, Planning Commission (2009-2014) in the rank of a Union Minister of State. He is recipient of numerous national and international awards and the prestigious title of the Commander of the Order of Academic Palmes by the Government of France.

Relationship with other Directors

None of the directors of the Company are related to each other.

Confirmations

No Director in our Company is a Director, or is otherwise associated in any manner, with any company that appears in the list of the vanishing companies as maintained by the Ministry of Corporate Affairs, wilful defaulter list maintained by the RBI or Export Credit Guarantee Corporation of India Limited or any other regulatory or governmental authority.

No Director in our Company is, or was, a director of any listed company, which has been or was delisted from any recognised stock exchange, during the term of his/her directorship in such company.

None of our Directors have committed any violation of securities laws in the past and no proceedings in such regard are pending against any of our Directors.

None of our Directors is restrained or prohibited or debarred by the Board from accessing the securities market or dealing in securities in any other manner.

None of our Directors are in default of payment of interest or repayment of principal amount, in respect of debt securities issued to the public, for a period of more than six months.

The permanent account numbers of the Directors have been submitted to the Stock Exchanges at the time of filing of the Draft Prospectus.

None of our Directors have any interest in the promotion of our Company.

Compensation of Directors

The Nomination and Remuneration Committee determines and recommends to the Board the compensation to Directors. The Board of Directors or the shareholders, as the case may be, approve the compensation to Directors.

a. The following table sets forth the compensation paid by our Company, to our Whole-time Director for the six-month period ended September 30, 2021 and the Fiscal Years, 2021, 2020 and 2019 (excluding the value of retirement benefits and perquisites on employee stock options):

(₹ in million)

Whole-time Director	**Total remuneration (including salary and other benefits*)**			
	Six-month period ended September 30, 2021	**Fiscal 2021**	**Fiscal 2020**	**Fiscal 2019**
Mr. Pinank Jayant Shah	12.50	(5.11)	70.21	103.56

b. The following table sets forth the compensation paid by our Company to our current Non-Executive Directors for the six-month period ended September 30, 2021 and the Fiscal Years, 2021, 2020 and 2019:

(₹ in million)

Non-Executive Director	Total remuneration (including salary and other benefits*)			
	Six-month period ended September 30, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Mr. Gagan Banga	Nil	Nil	Nil	Nil
Mr. Ajit Kumar Mittal	7.82	0.17	0.34	0.59
Mr. Nafees Ahmed	(5.06)	(2.55)	6.48	11.09
Ms. Preetinder Virk	Nil	0.22	0.22	0.11

c. The following table sets forth the sitting fees paid by our Company to our existing Independent Directors for the six-month period ended September 30, 2021 and the Fiscal Years, 2021, 2020 and 2019:

(₹ in million)

Name of Director	Total sitting fees			
	Six-month period ended September 30, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Brig. Labh Singh Sitara (Retd.)	0.33	0.76	0.44	0.76
Dr. Narendra Damodar Jadhav*	0.33	0.11	Nil	Nil

**In addition, Mr. Narendra Damodar Jadhav was paid an amount of ₹ 0.80 million for the financial year ended March 31, 2021 and ₹0.40 million for the six months period ended September 30, 2021 as incentive by our Company.*

d. Details of remuneration payable or paid to the Director by the Subsidiaries and associate companies of the Company in the current year or in the last three financial years:

Nil

Borrowing powers of the Board

Pursuant to resolution passed by the shareholders of our Company on September 20, 2018 in accordance with provisions of 180(1)(c) and all other applicable provisions of the Companies Act and Articles of Association, the Board has been authorised to borrow sums of money as they may deem necessary for the purpose of the business of our Company, which together with the monies already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business), may exceed at any time, the aggregate of the paid-up capital of our Company and its free reserves (that is to say, reserves, not set apart for any specific purposes), provided that the total outstanding amount so borrowed shall not at any time exceed the limit of ₹120,000 million.

Interest of Directors/ Promoter of our Company

Our Whole-time Director may be deemed to be interested to the extent of remuneration paid by our Company as well as to the extent of reimbursement of expenses payable to them. Our Non-Executive Directors may be deemed to be interested to the extent of sitting fees, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other reimbursement of expenses and profit linked incentives payable to them.

Our Directors, including Independent Directors, may also be regarded as interested in the Equity Shares, if any, held by them and also to the extent of any dividend payable to them and other distributions in respect of the Equity Shares. Our Directors, including Independent Directors, may also be regarded as interested in the Equity Shares held by or that may be subscribed by and allotted to the companies, firms and trust, in which they are interested as directors, members, partners or trustees.

Our Directors may be deemed to be interested in the contracts, agreements or arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners. Except as otherwise stated in this Prospectus and statutory registers maintained by our Company in this regard, we have not entered into any contract, agreements, arrangements during the preceding two years from the date of this Prospectus in which our Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements, arrangements which are proposed to be made with them. None of the Directors have any interest in immovable property acquired or proposed to be acquired by the Company in the preceding two years as of the date of this Prospectus.

None of the Directors are interested in their capacity as a member of any firm or company and no sums have been paid or are proposed to be paid to any Director or to such firm of company in which he is interested, by any person, in cash or shares or otherwise, either to induce them or to help them qualify as a director or for services rendered by him or by such firm or company, in connection with the promotion or formation of the company.

There is no contribution being made by the Directors as part of the Issue or separately in furtherance of such objects of the Issue.

Other than as disclosed in this Prospectus, there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which the Directors are interested. Further, our Company has not availed any loans from the Directors which are currently outstanding.

Our Company believes that its Board is constituted in compliance with the Companies Act, 2013. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas.

Except as disclosed hereinabove and the section titled *"Risk Factors"* on page 19, the Directors do not have an interest in any venture that is involved in any activities similar to those conducted by our Company.

Shareholding of Directors including details of qualification shares held by Directors as on the date of this Prospectus:

None of the Directors hold any Equity Shares, qualification shares or any outstanding options in our Company.

Shareholding of Directors in Subsidiaries companies including details of qualification shares held by Directors as on the date of this Prospectus:

As on the date of this Prospectus, none of the Directors hold any Equity Shares, qualification shares or any outstanding options in any of our Subsidiaries.

Details of debentures of the Company held by the Directors of the Company:

Nil.

Appointment of any relatives of Directors to an office or place of profit

None of our Directors' relatives have been appointed to an office or place of profit.

Changes in the Directors of our Company during the last three years preceding the date of this Prospectus:

The Changes in the Board of Directors of our Company in the three years preceding the date of this Prospectus are as follows:

S. No.	Name, Designation	DIN	Date of appointment/ resignation	Reasons	Date of appointment in case of resignation
1.	Ms. Preetinder Virk, Non-Executive Director	02398827	December 04, 2018	Appointment	-
2.	Ms. Manjari Ashok Kacker, Non-Executive Director	06945359	December 04, 2018	Resignation	April 03, 2018
3.	Mr. Gagan Banga, Non-Executive Director	00010894	March 22, 2018	Appointment	-

S. No.	Name, Designation	DIN	Date of appointment/ resignation	Reasons	Date of appointment in case of resignation
4.	Mr. Alok Kumar Misra, Independent Director	00163959	March 21, 2021	Ceased to be director on account of completion of tenure	March 22, 2018 and was re-appointed on January 23, 2020 w.e.f. March 22, 2020 to March 21, 2021
5.	Dr. Narendra Damodar Jadhav, Additional Director	02435444	November 17, 2020	Appointment	-

Committees of Board of Directors

Committee	Members	Designation
Audit Committee	Brig. Labh Singh Sitara (Retd.)	Chairman
	Dr. Narendra Damodar Jadhav	Member
	Mr. Ajit Kumar Mittal	Member
Nomination and Remuneration Committee	Brig. Labh Singh Sitara (Retd.)	Chairman
	Dr. Narendra Damodar Jadhav	Member
	Mr. Nafees Ahmed	Member
Corporate Social Responsibility Committee	Brig. Labh Singh Sitara (Retd.)	Chairman
	Mr. Pinank Jayant Shah	Member
	Ms. Preetinder Virk	Member
	Mr. Ajit Kumar Mittal	Member
Integrated Risk Management Committee	Mr. Ajit Kumar Mittal	Chairman
	Mr. Amit Ajit Gandhi	Member
	Mr. Sanjeev Kashyap	Member
	Mr. Mahesh Arora	Member
	Mr. Manish Rustagi	Member
Stakeholders Relationship Committee	Brig. Labh Singh Sitara (Retd.)	Chairman
	Ms. Nafees Ahmed	Member
	Ms. Preetinder Virk	Member
Assets Liability Management Committee	Mr. Pinank Jayant Shah	Chairman
	Mr. Ajit Kumar Mittal	Member
	Mr. Nafees Ahmed	Member
	Mr. Manish Rustagi	Member
IT Strategy Committee	Brig. Labh Singh Sitara (Retd.)	Chairman
	Mr. Suchit Mishra	Member
	Mr. Sandeep Kadam	Member

1. Audit Committee

The Audit Committee was last reconstituted on March 22, 2021. The terms of reference of this committee were last amended on September 14, 2017 and *inter-alia*, include:

- To oversee the financial reporting process and disclosure of financial information;
- To review with management, annual financial statements and ensure their accuracy and correctness before submission to the Board;
- To review with management and internal auditors, the adequacy of internal control systems, approving the internal audit plans/reports and reviewing the efficacy of their function, discussion and review of periodic audit reports including findings of internal investigations;
- To recommend the appointment of the auditors and their remuneration;
- To review and approve required provisions to be maintained as per IRAC norms and write off decisions and regulatory requirements on Balance Sheet Disclosures;
- To hold discussions with the Auditors;

- Review and monitoring of the auditor' independence and performance and effectiveness of the audit process;
- Examination of the auditor' report on financial statements of the Company (in addition to the examination of the financial statements) before submission to the Board;
- Approval of any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings and assets of the Company, wherever it is necessary;
- Monitoring the end use of funds raised through public offers and related matters as and when such funds are raised and also reviewing the utilization of the funds so raised for purposes other than those stated in the relevant offer document, if any, and making appropriate recommendations to the Board in this regard;
- Review and monitoring of the performance of the statutory auditors and effectiveness of the audit process;
- To hold post audit discussions with the auditors to ascertain any area of concern;
- To review the whistle blower mechanism; and
- Approval to the appointment of the Chief Financial Officer after assessing the qualifications , experience and background etc. of the candidate.
- Review of information system audit of the internal systems and processes to access the operational risks faced by the Company and also ensures that the information system audit of the internal systems and processes is conducted periodically.

2. **Nomination and Remuneration Committee** ("**NRC**")

NRC was last reconstituted on March 22, 2021. The terms of reference of this committee were last amended on September 14, 2017 and *inter-alia*, include:

- To ensure 'fit and proper' status of all the directors on a continuing basis;
- To identify and advice Board in the matter of appointment of new Directors and senior management personnel's;
- To recommend to the Board, appointment, removal and compensation terms of the Executive Directors;
- To assist the Board in determining and implementing the Company's Policy on the remuneration of Executive Directors; and
- To review the evaluation of director's performance.

3. **Corporate Social Responsibility Committee** ("**CSR**")

CSR was last reconstituted on December 04, 2018 and *inter-alia*, include:

- To recommend to the Board, the CSR activity to be undertaken by the Company;
- To approve the expenditure to be incurred on the CSR activity;
- To oversee and review the effective implementation of the CSR activity; and
- To ensure compliance of all related applicable regulatory requirements.

4. **Integrated Risk Management Committee** ("**IRMC**")

Integrated Risk Management Committee was last reconstituted on April 25, 2019. The terms of reference of this committee were last amended on April 23, 2018 and *inter-alia*, include:

- Approve the Credit/Operation Policy and its review / modification from time to time.
- Review of Customer complaints received by Regulators, Courts, Legal body or internal complaints.
- Review of Grievance Redressal Mechanism and Customers Services.
- Review of applicable regulatory requirements.
- Approve all the functional policies of the Company.
- Review of Branch Audit Report/Concurrent Audit Report of Treasury.
- Review Compliances of lapses.
- Place appropriate mechanism in the system to cater Fraud while dealing with customers/approval of loans etc.
- Review of profile of the high loan Customers and periodical review of the same.
- Review of implementation of FPCs, KYC and PMLA guidelines.
- Define loan sanctioning authorities for various types/values of loans.

- Any other matter involving Risk to the asset /business of the Company.
- Evaluation of the risk management systems (in addition to the internal control systems).

5. **Asset Liability Management Committee** ("**ALCO**")

Asset Liability Management Committee was last reconstituted on September 14, 2017. The terms of reference of this committee were last amended on April 23, 2018 and *inter-alia*, include:

- Review of Assets and Liabilities position of the Company and Liquidity risk Management and give directions to Finance/Treasury Team in the event of ALM mismatches beyond permissible limit as set out by the Committee.
- Management of Interest Risk and product pricing, launching of new products.
- Periodical review of PLR and recommend for change for the benchmark rate of the Company.
- Approval of Inter corporate loans to holding company and the associate companies.
- To measure the future cash flow as per maturity profile.
- Analyzing various risks like liquidity risk, interest rate risk, investment risk and business risks.
- Assessment of opportunity cost and maintenance of liquidity.
- Evaluate market risk involved in launching of new products.
- Decide the transfer pricing policy of the Company.
- To approve the business plan, targets and their regular reviews.

6. **IT Strategy Committee**

The IT Strategy Committee was last re-constituted on November 11, 2021. The terms of reference of the IT Strategy Committee, *inter-alia*, include:

- Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;
- Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;
- Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
- Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high level direction for sourcing and use of IT resources;
- Ensuring proper balance of IT investments for sustaining ICFL growth and becoming aware about exposure towards IT risks and controls.

Additionally, our Company has constituted operational committees of its Board, such as Management Committee, Bond Issue Committee, Demand and Call Loan Committee and Allotment Committee.

Key Managerial Personnel of our Company

Following are the Key Managerial Personnel of our Company:

S. No.	Name	Designation
1.	Mr. Pinank Jayant Shah	Chief Executive Officer
2.	Mr. Rajeev Lochan Agrawal	Chief Financial Officer
3.	Mr. Manish Rustagi	Company Secretary and Compliance Officer

Shareholding of Key Managerial Personnel

None of our Key Managerial Personnel hold any Equity Shares as on the date of this Prospectus.

Relationship with other Key Managerial Personnel

None of our Key Managerial Personnel are related to each other.

Other confirmations

None of the Directors, Promoter or Key Managerial Personnel of our Company has any financial or other material interest in the Issue.

Our Directors do not propose to subscribe to the Issue.

All our Key Managerial Personnel are permanent employees of our Company/ holding and/or subsidiary company.

Except as may be disclosed in this chapter, our Company does not have any bonus or profit-sharing plan with its Directors or Key Managerial Personnel. None of the Directors or the companies with which they are or were associated as promoter or director, are debarred from accessing the capital markets under any order or direction passed by the SEBI or any other governmental or regulatory or judicial authority.

Neither our Company, nor our Promoter or the companies with which our Promoter is or has been associated with a promoter or a person in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other governmental or regulatory or judicial authority.

Neither our Company nor Promoter have been declared as a Wilful Defaulter in the last ten years.

None of our Directors or Promoter have been declared as a Fugitive Economic Offender.

Related Party Transactions

For details of the related party transactions for the Fiscals 2021, 2020 and 2019 in accordance with the requirements under Ind AS 24 "Related Party Disclosures" notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, "*Financial Information*" on page 186.

Payment of benefits and profit-share to Employees

Except for gratuity and other statutory benefits paid to our employees, there are no benefits and profit share paid to our employees.

Employee Stock Option Schemes

As on the date of this Prospectus, our Company does not have an employee stock option scheme.

OUR PROMOTER

Profile of our Promoter

Our promoter is Dhani Services Limited (*formerly Indiabulls Ventures Limited*) ("**DSL**").

DSL was originally incorporated as 'GPF Securities Private Limited' on June 09, 1995 at Delhi and Haryana as a private limited company under the Companies Act, 1956. DSL was converted into a public limited company consequent to a special resolution passed by its shareholders at the EGM held on October 31, 2003 and the name of DSL was changed to Orbis Securities Limited. A fresh certificate of incorporation consequent upon conversion to public limited company was issued on January 05, 2004. The name of DSL was changed to Indiabulls Securities Limited and a fresh certificate of incorporation consequent upon change of name was issued on February 16, 2004. The name of DSL was further changed to Indiabulls Ventures Limited and a fresh certificate of incorporation consequent upon change of name was issued on March 12, 2015. Further, the name of DSL was changed to Dhani Services Limited and a fresh certificate of incorporation consequent upon change of name was issued on October 06, 2020.

Dhani Services Limited **("DSL")** *inter alia* is providing technology enabled transaction finance and primary healthcare services, through its wholly owned subsidiary companies that have requisite licenses of NBFC, Payments license etc. Its equity shares are listed on NSE and BSE and its Global Depository Receipts are listed on the Luxembourg Stock Exchange.

DSL has its registered office at M 62&63, First Floor, Connaught Place, New Delhi – 110 001, Delhi, India and bears the CIN L74110DL1995PLC069631. The permanent account number of DSL is AAACO0870B.

Interest of our Promoter in our Company

Our Promoter does not have any interest in our Company other than the dividend paid as our shareholder, loans provided to us by our Promoter, sharing infrastructure and common services. For details pertaining to the transactions entered into between our Promoter and Promoter Group entities and our Company, please see "*Related Party Transactions*" on page 168.

Our Promoter does not have any interest in any property acquired by our Company within two years preceding the date of filing of this Prospectus or any property proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building or supply of machinery.

Our Promoter does not propose to subscribe to the Issue.

Our Promoter has no financial or other material interest in the Issue.

Other understandings and confirmations

Our Promoter has not been identified as a wilful defaulter by the RBI or any other governmental authority and is not a Promoter of any such Company which has been identified as a wilful defaulter by the RBI or any other governmental authority or which has been in default of payment of interest or repayment of principal amount in respect of debt securities issued by it to the public, if any, for a period of more than six months. Further, no members of our Promoter Group have been identified as wilful defaulters.

Except as disclosed in "*Outstanding Litigations and Defaults*" on page 207, no violations of securities laws have been committed by our Promoter in the past or are currently pending against our Promoter. Further, no regulatory action before SEBI, RBI or NHB is currently pending against our Promoter.

Our Promoter and members of the Promoter Group are not debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad and are not promoters, directors or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoter has not been declared as a fugitive economic offender.

For details relating to litigation against our promoter, please see section "*Outstanding Litigations and Defaults*" on page 207.

The permanent account number and bank account number(s) of our Promoter will be submitted to the Stock Exchanges at the time of filing the Draft Prospectus.

Payment of benefits to our Promoter during the last three Fiscal Years

Except as stated in this section and may be stated in the section "*Related Party Transactions*" on page 168, no amounts or benefits have been paid or given or intended to be paid or given to our Promoter within the three Fiscal Years preceding the date of this Prospectus.

Details of Equity Shares allotted to our Promoter during the last three Fiscal Years

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of Consideration (Cash, Other than cash, etc.)	Nature of Allotment	Cumulative Number of Equity Shares	Cumulative Equity Share Capital (₹)	Cumulative Securities Premium (₹)
March 15, 2019(1)	3,595,000	10	765	Cash	Preferential Issue	61,188,000	611,880,000	37,053,434,935

(1) The Company, on March 15, 2019, allotted 3,595,000 Equity Shares by way of a preferential allotment on private placement basis to Dhani Services Limited (formerly Indiabulls Ventures Limited

Details of shareholding of DSL in our Company as on September 30, 2021:

Total number of Equity Shares	Number of Equity Shares in demat form	Total shareholding as %of total number of Equity Shares	Number of Equity Shares pledged	% of Equity Shares pledged with respect to the Equity Shares owned by DSL
61,188,000	61,187,994*	100	Nil	Nil

** 6 Equity Shares are held by certain individual nominees holding one share each in physical form, as nominees of DSL.*

None of the shares of our Company, held by DSL, are pledged or otherwise encumbered.

Shareholding pattern of DSL as on September 30, 2021:

Summary Statement holding of specified securities as on September 30, 2021:

Category of Shareholder	No. of Shareholders	No. of fully paid-up Equity Shares held	No. of Partly paid-up Equity Shares held	No. of Shares Underlying Depository Receipts	Total No. of Shares Held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights			Total as a % (A+B+C)	No. of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	No. of Locked in shares		Number of equity shares held in dematerialised form
							Fully Paid-up Equity Shares	Partly Paid-up Equity Shares	Total				No.	As a % of total shares held	
(A) Promoter & Promoter Group	6	147,519,732	35,788,434	NIL	183,308,166	30.05	147,519,732	19,683,638.70	167,203,371	29.20	NIL	29.16		0.00	183,308,166
(B) Public	96,166	359,893,122	47,044,584	NIL	406,937,706	66.72	359,893,122	25,874,521.20	385,767,643	67.36	18,646,600	67.70	3,36,00,000	8.26	406,922,976
(C) Non-Promoter-Non-Public	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL		0.00	NIL

(C1) Shares underlying DRs	1	NIL	NIL	2,038	2,038	NIL	2,038	NIL	2,038	0.00	NIL	0.00		0.00	2,038
(C2) Shares held by Employees Trusts	1	19,700,000	NIL	NIL	19,700,000	3.23	19,700,000	NIL	19,700,000	3.44	NIL	3.13		0.00	19,700,000
Total:	96,174	527,112,854	82,833,018	2,038	609,947,910	100.00	527,114,892	45,558,160	572,673,052	100.00	18,646,600	100.00	3,36,00,000	5.51	609,933,180

Statement showing shareholding pattern of the Promoter and Promoter Group as on September 30, 2021:

Category & Name of the Shareholder	No. of Shareholders	No. of fully paid up equity shares held	No. of Partly paid-up Equity Shares held	Total No. of SharesHeld	Shareholding % calculated as per SCRR 1957, as a % of (A+B+C2)	No. of Voting Rights			Total as a % of (A+B+C)	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	Numberof equity shares held in dematerialised form
						Fully Paid-up Equity Shares	Partly Paid-up Equity Shares	Total			
(A1) Indian											
Individuals/Hindu undivided Family	1	24,843,566	9,408,927	34,252,493	5.62	24,843,566	5,174,910	30,018,476	5.24	5.45	34,252,493
SAMEER GEHLAUT (Promoter)		24,843,566	9,408,927	34,252,493	5.62	24,843,566	5,174,910	30,018,476	5.24	5.45	34,252,493
Central Government/State Government(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Financial Institutions/banks	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Any Other	5	122,676,166	26,379,507	149,055,673	24.44	122,676,166	14,508,729	137,184,895	23.96	23.71	149,055,673
ORTHIA PROPERTIES PRIVATE LIMITED (Promoter)		37,880,620	93,67,460	4,72,48,080	7.75	37,880,620	5,152,103	43,032,723	7.51	7.52	47,248,080
ORTHIA CONSTRUCTIONS PRIVATE LIMITED (Promoter)		27,772,392	9,301,943	37,074,335	6.08	27,772,392	5,116,068	32,888,461	5.74	5.90	37,074,335
ZELKOVA BUILDERS PRIVATE LIMITED (Promoter)		23,223,154	7,710,104	30,933,258	5.07	23,223,154	4,240,557	27,463,711	4.80	4.92	30,933,258

Category & Name of the Shareholder	No. of Shareholders	No. of fully paid up equity shares held	No. of Partly paid-up Equity Shares held	Total No. of Shares Held	Shareholding % calculated as per SCRR 1957, as a % of (A+B+C2)	No. of Voting Rights			Total as a % of (A+B+C)	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 equity shares held in dematerialised form
						Fully Paid-up Equity Shares	Partly Paid-up Equity Shares	Total			
INUUS PROPERTIES PRIVATE LIMTIED (Promoter)		17,000,000	0	17,000,000	2.79	17,000,000	NIL	17,000,000	2.97	2.70	17,000,000
INUUS DEVELOPERS PRIVATE LIMITED (Promoter)		16,800,000	0	16,800,000	2.75	16,800,000	NIL	16,800,000	2.93	2.67	16,800,000
Sub-Total (A1)	6	147,519,732	35,788,434	183,308,166	30.05	147,519,732	19,683,639	167,203,371	29.20	23.71	183,308,166
(A2) Foreign											
	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total Shareholding of Promoter and Promoter Group (A)=(A1+A2)	6	147,519,732	35,788,434	183,308,166	30.05	147,519,732	19,683,639	167,203,371	29.20	29.16	183,308,166

Statement showing shareholding pattern of the public shareholder as on September 30, 2021:

Category & Name of the Shareholder	No. of Shareholders	No. of fully paid-up equity shares held	No. of Partly paid-up Equity Shares held	Total No. of Shares Held	Shareholding % calculated as per SCRR, 1957, As a % of (A+B+C2)	No. of voting rights			Total as a % of (A+B+C)	No. of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of equity shares held in dematerialised form
						Fully Paid-up Equity Shares	Partly Paid-up Equity Shares	Total				
(B1) Institutions												
Mutual Funds	4	179,877	NIL	179,877	0.03	179,877	NIL	179,877	0.03	NIL	0.03	179,877
Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Alternate Investment Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Foreign Venture Capital Investors	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Foreign Portfolio Investors	111	165,413,517	10,605,180	176,018,697	28.86	165,413,517	5,832,489	171,246,366	29.90	NIL	28.00	176,018,697
JASMINE CAPITAL INVESTMENTS PTE LTD		40,724,049	7,287,296	48,011,345	7.86	40,724,049	4,008,012.80	44,732,061.8	7.81	NIL	7.64	48,011,345
STEADVIEW CAPITAL MAURITIUS LIMITED		25,458,797	1,095,774	26,554,571	4.35	25,458,797	602,675.70	26,061,472.7	4.55	NIL	2.22	26,554,571

Category & Name of the Shareholder	No. of Shareholders	No. of fully paid-up equity shares held	No. of Partly paid-up Equity Shares held	Total No. of Shares Held	Shareholding % calculated as per SCRR, 1957, As a % of (A+B+C2)	No. of voting rights			Total as a % of (A+B+C)	No. of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of equity shares held in dematerialised form
						Fully Paid-up Equity Shares	Partly Paid-up Equity Shares	Total				
BAILLIE GIFFOR PACIFIC FUND A SUB FUND OF BAILLIE GIFFORD O		12,638,167	NIL	12,638,167	2.07	12,638,167	NIL	12,638,167	2.21	NIL	2.01	12,638,167
RIBBIT CAYMAN IN HOLDINGS VI LTD		10,500,000	NIL	10,500,000	1.72	10,500,000	NIL	10,500,000	1.83	NIL	1.67	10,500,000
BNP PARIBAS ARBITRAGE- ODI		9,649,656	NIL	9,649,656	1.58	9,649,656	NIL	9,649,656	1.69	NIL	1.54	9,649,656
NWI EMERGING MARKET FIXED INCOME MASTER FUND,LTD.		8,400,000	NIL	8,400,000	1.38	8,400,000	NIL	8,400,000	1.47	NIL	1.34	8,400,000
Financial Institutions/Banks	2	4,200,500	NIL	4,200,500	0.69	4,200,500	NIL	4,200,500	0.73	NIL	0.67	4,200,500
Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Provident Funds/Pension Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Category & Name of the Shareholder	No. of Shareholders	No. of fully paid-up equity shares held	No. of Partly paid-up Equity Shares held	Total No. of Shares Held	Shareholding % calculated as per SCRR, 1957, As a % of (A+B+C2)	No. of voting rights			Total as a % of (A+B+C)	No. of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of equity shares held in dematerialised form
						Fully Paid-up Equity Shares	Partly Paid-up Equity Shares	Total				
Any Other	1	4,200,000	NIL	42,000,000	0.69	4,200,000	NIL	4,200,000	0.73	NIL	0.67	4,200,000
Foreign Corporate Bodies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Qualified Institutional Buyer	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub Total (B1)	118	173,993,894	10,605,180	184,599,074	30.26	173,993,894	5,832,849	179,826,743	31.40	NIL	29.37	184,599,074
(B2) Central Government/State Government(s)/President of India	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub Total (B2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(B3) Non-Institutions												

Category & Name of the Shareholder	No. of Shareholders	No. of fully paid-up equity shares held	No. of Partly paid-up Equity Shares held	Total No. of Shares Held	Shareholding % calculated as per SCRR, 1957, As a % of (A+B+C2)	No. of voting rights			Total as a % of (A+B+C)	No. of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of equity shares held in dematerialised form
						Fully Paid-up Equity Shares	Partly Paid-up Equity Shares	Total				
Individual shareholders holding nominal share capital up to ₹2 lakhs	94,363	37,357,565	8,448,149	45,805,714	7.51	37,357,565	4,646,481.95	42,004,046.95	7.33	10,117,800	8.90	45,790,984
Individual shareholders holding nominal share capital in excess of ₹2 Lakhs	66	42,385,658	5,013,125	47,398,783	7.77	42,385,658	2,757,218.75	45,142,876.75	7.88	8,528,800	8.90	47,398,783
DIVYESH BHARAT SHAH		8,855,216	1,981,687	10,836,903	1.78	8,855,216	1,089,927.85	9,945,142.85	1.74	440,000	1.79	10,836,903
NBFCs Registered with RBI	3	27,198	2,343	29,541	0.00	27,198	1,288.65	28,486.65	0.00	NIL	NIL	2,9541
Any Other	1,616	106,128,807	22,975,787	129,104,594	21.17	106,128,807	12,636,682.85	118,765,489.9	20.74	NIL	20.54	129,104,594
Non-Resident Indians	807	1,390,966	18,245	1,409,211	0.23	1,390,966	10,034.75	1,401,000.75	0.24	NIL	0.22	1,409,211
Resident Indian HUF	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Category & Name of the Shareholder	No. of Shareholders	No. of fully paid-up equity shares held	No. of Partly paid-up Equity Shares held	Total No. of Shares Held	Shareholding % calculated as per SCRR, 1957, As a % of (A+B+C2)	No. of voting rights			Total as a % of (A+B+C)	No. of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of equity shares held in dematerialised form
						Fully Paid-up Equity Shares	Partly Paid-up Equity Shares	Total				
Trusts	1	700	NIL	700	0.00	700	NIL	700	0.00	NIL	0.00	700
Clearing Members	110	932,856	57,981	990,837	0.16	932,856	31,889.55	964,745.55	0.17	NIL	0.16	990,837
IEPF	1	181,616	NIL	181,616	0.03	181,616	NIL	181,616	0.03	NIL	0.03	181,616
Bodies Corporates	694	52,594,533	11,796,273	64,390,806	10.56	52,594,533	64,87,950.15	59,082,483.15	10.32	NIL	10.24	64,390,806
TUPELO CONSULTANCY LLP		8,512,133	4,709,132	13,221,265	2.17	8,512,133	2,590,022.60	11,102,155.6	1.94	NIL	2.10	13,221,265
BRIKISHOR TRADING PRIVATE LIMTIED		8,300,000	0	8,300,000	1.36	8,300,000	NIL	8,300,000	1.45	NIL	1.32	8,300,000
Foreign Companies	3	51,028,136	11,103,288	62,131,424	10.19	51,028,136	6,106,808.40	57,134,944.4	9.98	NIL	9.88	62,131,424

Category & Name of the Shareholder	No. of Shareholders	No. of fully paid-up equity shares held	No. of Partly paid-up Equity Shares held	Total No. of Shares Held	Shareholding % calculated as per SCRR, 1957, As a % of (A+B+C2)	No. of voting rights			Total as a % of (A+B+C)	No. of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of equity shares held in dematerialised form
						Fully Paid-up Equity Shares	Partly Paid-up Equity Shares	Total				
TAMARIND CAPITAL PTE LTD		49948253	11103288	61051541	10.01	49948253	61066808.20	5655061.2	9.79	NIL	9.71	61051541
Escrow Account		NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Firms		NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub Total (B3)	96,048	185,899,228	36,439,404	222,338,632	36.45	185,899,228	20,041,672.20	20,594,090.2	35.96	18,646,600	38.34	222,323,902
Total Public Shareholding (B) = (B1)+(B2)+(B3)	96,166	359,893,122	47,044,584	406,937,706	66.72	359,893,122	25,874,521.20	385,767,643	67.36	18,646,600	67.70	406,922,976

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %) as on September 30, 2021:

Sr No.	Name of shareholder	Name of PAC	No. of Shares	holding%
1	Tamarind Capital Pte Ltd	Jasmine Capital investments PTE Ltd	61,051,541	10.01
2	Jasmine Capital investments PTE Ltd	Tamarind Capital Pte Ltd	48,011,345	7.87
3	STEADVIEW CAPITAL MAURITIUS LIMITED	ABG CAPITAL	26,554,571	4.35
4	ABG CAPITAL	STEADVIEW CAPITAL MAURITIUS LIMITED	430,082	0.07
5	TIMF Holdings	Think India Opportunities Master Fund LP	3,780,000	0.62
6	Think India Opportunities Master Fund LP	TIMF Holdings	2,520,000	0.41

"Details of shares which remain unclaimed may be given here along with details such as no. of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc." Not applicable

Statement showing shareholding pattern of the Non Promoter- Non Public shareholder as on September 30, 2021:

Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding calculated as per SCRR, 1957 as a % of total no of shares (A+B+C2)	Number of Voting Rights held in each class of securities: No of Voting Rights: Fully paid-up equity shares	Number of Voting Rights held in each class of securities: No of Voting Rights: Partly paid-up equity shares	Number of Voting Rights held in each class of securities: No of Voting Rights: Total	Number of Voting Rights held in each class of securities: Total as a % of total voting rights	No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares: No.	Number of Locked in Shares: As a % of total Shares held	Number of Shares pledged or otherwise encumbered: No.	Number of Shares pledged or otherwise encumbered: As a % of total Shares held	Number of equity shares held in dematerialized form
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(1)	**Custodian/DR Holder**		1	NIL	NIL	2,038	2,038	0.0003	2,038	NIL	2,038	0.00	NIL	NIL	0	0.00	0	0.00	2,038
	DEUTSCHE BANK TRUST COMPANY AMERICAS	AACCD4898E		0	0	2,038	2,038	0.0003	2,038	NIL	2,038	0.00	NIL	NIL	0	0.00	0	0.00	2,038
(2)	**Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations 2014)**		**1**	**19700000**	**0**	**0**	**19700000**	**3.23**	**19700000**	**0**	**19700000**	**3.44**	**0**	**3.13**	**0**	**0.00**	**0**	**0.00**	**19700000**
	Udaan Employee Welfare Trust ("**Udaan -EWT**" (Formerly Indiabulls	AABTI7821G		19700000	0		19700000	3.23	19700000	0	19700000	3.44	0	3.13	0	0.00	0	0.00	19700000

	Ventures Limited Employees Welfare Trust)																		
	Total Non-Promoter-Non Public Shareholding = (1)+(2)		2	19,700,000	NIL	2,038	19,702,038	3.23	19,702,038	NIL	19,702,038	3.44	NIL	3.13	0	0	0	0.00	19702038

Statement showing details of Significant Beneficial Owners (SBOs) as on September 30, 2021:

Details of the SBO (I)			Details of the registered owner (II)			Details of holding/exercise of right of the SBO in the reporting company, whether direct or indirect (III) (in %) Whether by virtue of:					Date of creation/ acquisition of significant beneficial interest (IV)
Name	**PAN/Passport No. in case of a foreign national**	**Nationality**	**Name**	**PAN/Passport No. in case of a foreign national**	**Nationality**	**Shares**	**Voting Rights**	**Rights on distributable dividend or any other distribution**	**Exercise of control**	**Exercise of significant influence**	
Sameer Gehlaut	AFMPG9469E	Indian	Orthia Properties Private Limited	AABCO2309Q	Indian Company	7.75	7.51	7.51	No	No	11.11.2011
Sameer Gehlaut	AFMPG9469E	Indian	Orthia Constructions Private Limited	AABCO2307A	Indian Company	6.08	5.74	5.74	No	No	07.04.2015
Sameer Gehlaut	AFMPG9469E	Indian	Zelkova Builder Private Limited	AAACZ5953G	Indian Company	5.07	4.80	4.80	No	No	09.04.2013
Sameer Gehlaut	AFMPG9469E	Indian	Innus Properties Private Limited	AACCI1953M	Indian Company	2.79	2.97	2.97	No	No	11.06.2018
Sameer Gehlaut	AFMPG9469E	Indian	Innus Properties Private Limited	AACCI1928E	Indian Company	2.75	2.93	2.93	No	No	11.06.2018

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

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

Note: 'Voting & dividend rights in respect of partly paid up equity shares of the Company shall be in proportion to the paid-up value on these Shares.'

Board of Directors of DSL as on date of this Prospectus:

1. Mr. Sameer Gehlaut, Founder, Executive Chairman and Chief Executive Officer
2. Mr. Pinank Jayant Shah, Executive Director
3. Mr. Divyesh B. Shah, Executive Director and Chief Operating Officer
4. Mr. Gagan Banga, Non- Executive Director
5. Mr. Praveen Kumar Tripathi, Independent Director
6. Dr. Narendra Damodar Jadhav, Independent Director
7. Mr. Anish Ernest Williams, Executive Director
8. Mrs. Fantry Mein Jaswal, Independent Director
9. Mr. Vijay Chugh, Independent Director
10. Mr. Rakesh Mohan Garg, Independent Director
11. Prof. Mohanbir Singh Sawhney, Independent Director
12. Mr. Sandeep Narhar Kadam, Non-Executive Director