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 153.

Registered Office: M-62 & 63, First Floor, Connaught Place, New Delhi – 110 001, India. **Telephone No.**: +91 11 4353 2950 **Facsimile No.**: +91 11 4353 2947
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, 110 017; **Telephone No.:** +91 11 4052 4636
Email: ajay.sardana@hemsandeep.com; **Contact Person:** Ajay Sardana; For further details regarding our Statutory Auditor, refer to the section "*General Information*" on page 65

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 ₹1,000 MILLION ("BASE ISSUE") WITH AN OPTION TO RETAIN OVERSUBSCRIPTION UP TO ₹1,000 MILLION, AGGREGATING UP TO ₹2,000 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**: 011-4353 2950; **Email: s**upport@dhani.com . For further details refer to the section "*Our Promoter*" on page 183.

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 203 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 264. For details relating to Eligible Investors please see "*Issue Related Information*" on page 257.

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 and November 23, 2021, December 16, 2021, March 17, 2022 and April 5, 2022 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 agency 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/003/22-23 dated April 7, 2022 and NSE *vide* its letter no. NSE/LIST/D/2022/0048 dated April 7, 2022. For the purposes of the Issue, BSE shall be the Designated Stock Exchange.

PUBLIC COMMENTS

The Draft Prospectus dated March 30, 2022, has been 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 April 7, 2022. No comments were received on the Draft Prospectus till 5 p.m. on April 7, 2022.

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 East, 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, Opp. MIG Cricket Club, Gandhi Nagar, Bandra (East), Mumbai- 400 051 **Telephone No:** 022 2655 8759 **Email:** contact@beacontrustee.co.in **Investor Grievance Email:** investorgrievances@beacontrustee.co.in **Website:** www.beacontrustee.co.in **Contact Person:** Mr. Vitthal Nawandhar	**KFIN TECHNOLOGIES LIMITED (*formerly known as KFIN Technologies Private Limited)*** Selenium, Tower B, Plot No – 31 & 32, Financial District, Nanakramguda, Serilingampally Hyderabad, Rangareddi – 500 032, Telangana, India **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** 104/106/108, 1st Floor, Golf Apartments, Sujan Singh Park, Maharishi Ramanna Marg, New Delhi – 110 003 **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: April 19, 2022	**ISSUE CLOSES ON:** May 10, 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 all the newspapers 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 257.*

****Beacon Trusteeship Limited has by its letter dated March 29, 2022 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 319.

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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 4, 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- 122 016
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 quarter and nine-month period ended December 31, 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 quarter and nine-month period ended December 31, 2021.
Unaudited Interim Standalone Financial Statements	The unaudited interim standalone financial statements for the quarter and nine-month period ended December 31, 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	₹1,000 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 306.
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 ₹ 2,00,000, in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) through UPI Mechanism
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account
Consortium/ Members of the Consortium (each individually, a Member	The Lead Managers and Consortium Members

Term	Description
of the Consortium)	
Consortium Agreement	The agreement dated April 8, 2022 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 257
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 March 29, 2022, entered into between the Debenture Trustee and our Company
Debenture Trust Deed	The trust deed to be entered into between the Debenture Trustee and our Company
Debenture Trustee/ Trustee	Debenture Trustee for the NCD Holders in this Issue being Beacon Trusteeship Limited
Deemed Date of Allotment	The date on which the Board of Directors or the Bond Issue Committee approves the Allotment of the NCDs for 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 March 30, 2022, 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 257
Interest/ Coupon Payment Date	As specified in "*Issue Structure*" on page 257
Infomerics	Infomerics Valuation and Rating Private Limited
Issue	Public issue of NCDs by our Company aggregating up to ₹1,000 million with an option to retain oversubscription up to ₹1,000 million, aggregating to ₹2,000 million
Issue Agreement	Agreement dated March 30, 2022, between our Company and the Lead Managers
Issue Closing Date	May 10, 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 319.
Issue Opening Date	April 19, 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 3, 2003, and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not permitted to invest in the Issue
Offer Document	The Draft Prospectus and this Prospectus
Prospectus	This Prospectus dated April 11, 2022 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 April 8, 2022 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 264
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 264
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 Limited (*formerly known as KFin Technologies Private Limited*)
Registrar Agreement	Agreement dated March 29, 2022 entered into between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
Security	As specified under "*Terms of the Issue*" on page 264
Series	Collectively the Series of NCDs being offered to the Applicants as stated in the section *"Issue Related Information"* beginning on page 257
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, as applicable and prescribed by SEBI from time to time, 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

Term/Abbreviation	Description/ Full Form
DT Circular	SEBI Circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 3, 2020, titled "Creation of Security in issuance of listed debt securities and 'due diligence' by debenture trustee(s)"
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

Term/Abbreviation	Description/ Full Form
	Requirements) Regulations, 2018, as amended
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, as amended
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 January, 2022 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 of our Company*” on pages 76, 157, 153, 88, 173, 202, 204, 222, 282 and 313 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 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular financial year or fiscal are to the 12 month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Unless the context requires otherwise, all references to a year in this 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 202.

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 nine-months period ended December 31, 2021, is derived from the nine-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 the quarter and nine-months period ended December 31, 2021, have been reviewed by our Statutory Auditor and they have issued a limited review report dated March 25, 2022 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 March 31, 2022, March 31, 2021, and 2020 are provided below:

Currency	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
1 USD	75.81	73.50	75.39

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 128, 108 and 222 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 of 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 128 and under "Financial Statements" on page 202, 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.

A. 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 5, 2021 the RBI notified the "Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses" (the "**Resolution Framework 2.0**"), providing a window for lenders to implement resolution plans with the objective of alleviating the potential stress to individual borrowers and small businesses.

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 222. 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. However, as on December 31, 2021, our loan book on a standalone basis has increased amounting to ₹42,541.19 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. 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 third parties. Our Company's financial condition and results of operations may be adversely affected by relying on such information from any third parties 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.

Further, the industry in which we operate is subject to identity theft issues, including, availing of loans by providing fraudulent credentials. We have also faced similar issues in the recent past. Our Company has taken certain additional measures, in order to address the losses and secure the customers from harm, to a reasonable extent. However, such incidents of identity theft are common in the NBFC industry and there can be no assurance that similar incidents will not take place in future. Such incidents can lead to adverse publicity and could erode customer trust and confidence in us, which may result in withdrawal of business by our existing customers and/or loss of new business from potential customers, which could adversely impact our business and financial results.

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.

6. 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 December 31, 2021, we have 2,423,727 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**.**

7. We have incurred losses for the Fiscal 2021 and the nine months period ended December 31, 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 nine months period ended December 31, 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 ₹2,475.33 million in the nine months period ended December 31, 2021. We may incur losses after tax in the future. Our failure to generate profits may adversely affect our business, results of operations, financial condition and cash flows.

8. 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.

9. 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 222.

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.

10. 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.

11. 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.

12. ***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 ₹17,357.94 million, as at December 31, 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.

13. ***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.

14. ***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.

15. ***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.

16. ***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 December 31, 2021:

The limited review report dated March 25, 2022 on the unaudited interim standalone financial results information for the quarter and nine months period ended December 31, 2021 contained an Emphasis of Matter paragraph as follows:

We draw attention to Note 4 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 December 31, 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 these Un-audited financial results. Our conclusion is not modified in respect of this matter.

Other Matters:

The comparative financial information of the Company for the year ended March 31, 2021, included in the Statement, was audited by M/s Walker Chandiok & Co. LLP ("the Erstwhile Auditors") who expressed an unmodified opinion on those financial statements vide their report dated June 18, 2021. Our conclusion is not modified in respect of this matter. We have not audited or reviewed any financial statements of the Company as of or for any periods prior to March 31, 2021. Accordingly, we express no opinion on the financial position, profit and loss (including other comprehensive income) or cash flows of the Company as of and for any periods prior to March 31, 2021.

The figures for the quarter ended December 31, 2021 and December 31, 2020 are the balancing figures between reviewed figures in respect of the half year ended September 30, 2021 and September 30, 2020 and the reviewed figures for the year to date period ended December 31, 2021 and the un-audited figures for the year to date period ended December 31, 2020 respectively. The figures for the year-to-date period ended December 31, 2020, for the quarter ended December 31, 2020 have not been audited or reviewed by us and have been included in the Statement solely based on the information provided by the Management of the Company. Our conclusion is not modified in respect of this matter.

The limited review report dated March 25, 2022 on the unaudited interim consolidated financial information for the quarter and nine months period ended December 31, 2021 contained an Emphasis of Matter paragraph as follows:

We draw attention to Note 3(a) 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 December 31, 2021. Our conclusion is not modified in respect of this matter.

In respect of the subsidiary – Indiabulls Distribution Services Limited, as reported by the component auditor, we draw attention to Note 3(b) of the accompanying financial result which describes the effects of uncertainties relating to COVID – 19 pandemic outbreak on the Company's operations, that are dependent upon future developments, and the impact thereof on the Company's estimates of impairment of certain financial assets as at December 31, 2021, and that such estimates may be affected by the severity and duration of the pandemic. Our opinion is not modified in respect of this matter.

In respect of the subsidiary – Indiabulls Investment Advisors Limited, as reported by the component auditor, we draw attention to Note 3(c) of the accompanying financial result which describes the effects of uncertainties relating to COVID – 19 pandemic outbreak on the Company's operations, that are dependent upon future developments, and the impact thereof on the Company's estimates of impairment of certain financial assets as at December 31, 2021, and that such estimates may be affected by the severity and duration of the pandemic. Our opinion is not modified in respect of this matter.

Other Matters:

We did not review the interim financial information of four subsidiaries included in the Statement, whose financial information reflects total revenue of Rs. 703.26 millions and Rs. 1,849.26 millions, total net profit/(loss) after tax of Rs. 105.05 millions and Rs. (374.93) millions and total comprehensive income/(loss) of Rs. 105.05 millions and Rs. (378.01) millions for the quarter and nine months period ended December 31, 2021 respectively, as considered in the Statement. These interim financial statements/

financial information have been reviewed by other auditors whose review reports have been furnished by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the review reports of such other auditors. Our conclusion is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.

The comparative financial information of the Group for the year ended March 31, 2021, included in the Statement, was audited by M/s Walker Chandiok & Co. LLP ("the Erstwhile Auditors") who expressed an unmodified opinion on those financial statements vide their report dated June 18, 2021. Our conclusion is not modified in respect of this matter. We have not audited or reviewed any financial statements of the Group as of or for any periods prior to March 31, 2021. Accordingly, we express no opinion on the financial position, profit and loss (including other comprehensive income) or cash flows of the Group as of and for any periods prior to March 31, 2021.

The figures for the quarter ended December 31, 2021 and December 31, 2020 are the balancing figures between reviewed figures in respect of the half year ended September 30, 2021 and September 30, 2020 and the reviewed figures for the year to date period ended December 31, 2021 and the un-audited figures for the year to date period ended December 31, 2020 respectively. The figures for the year-to-date period ended December 31, 2020 have not been audited or reviewed by us and have been included in the Statement solely based on the information provided by the Management of the Company. Our conclusion is not modified in respect of this matter.

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."

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 202.

17. 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.

18. 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.

19. 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.

20. 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 December 31, 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 ₹17,357.94 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 204.

21. 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.

22. 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.

23. 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.

24. 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.

25. 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.

26. ***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.

27. 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.

28. 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.

29. 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.

30. ***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 December 31, 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	4,948.92	4,845.82	3,031.22	4,021.02	7,423.38	9,471.93	6,186.15	1,313.18	**41,241.62**
Investments	31.39	-	-	-	999.98	-	1,750.00	9,312.95	**12,094.32**
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Borrowings (including liabilities against securitized assets)	2,112.00	140.59	389.57	3,233.11	6,828.34	4,255.26	399.07	-	**17,357.94**
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

31. ***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.

32. ***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.

33. ***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.

34. ***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.

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

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

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

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

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

Further, the GoI vide notification dated March 24, 2020 ("**Notification**") has amended section 4 of the Bankruptcy Code due the lingering impact of the COVID-19 pandemic. Pursuant to the said Notification, 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.

36. 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.

37. 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.

38. 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 has presented information regarding material fraud committed against it as at December 31, 2021 in this Prospectus. In accordance with the periodic RBI reporting requirements under the Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016, our Company will submit details of material fraud committed against it to the RBI within a period of 15 days from the end of the quarter or within such timelines as may be prescribed. 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. Any failure by our Company to mitigate such risks may adversely affect our Company's cash flows, profitability and results of operation. 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.

39. 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.

40. 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.

41. 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.

42. 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*" both on page 147. 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.

43. 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.

44. 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.

45. ***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.

46. ***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.

47. ***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.

48. ***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 202 of this Prospectus.

49. ***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.

50. ***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 dhanipay, dhaniemi, dhanibiz, dhanilite, dhaniswipe and Dhani 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 dhani 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.

51. ***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 nine months period ended December 31, 2021, in respect of which the Statutory Auditor of our Company have issued their limited review report dated March 25, 2022. 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 quarter and nine months period ended December 31, 2021 should, accordingly, be limited.

52. ***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 January 2022, 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.

53. 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.

54. 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.

55. 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.

56. 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 those certain areas of India, which pose a significantly higher risk or crime or instability, our ability to operate in such areas will be adversely affected.

57. 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

58. 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.

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.

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

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

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.

C. 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 125 % asset cover on the outstanding amount of the NCDs, and it will be the duty of the Debenture Trustee to monitor that the security is maintained, however, the 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 88.

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/or for repayment of interest and principal of existing borrowings of the Company. For further details, see "*Objects of the Issue*" on page 84. 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

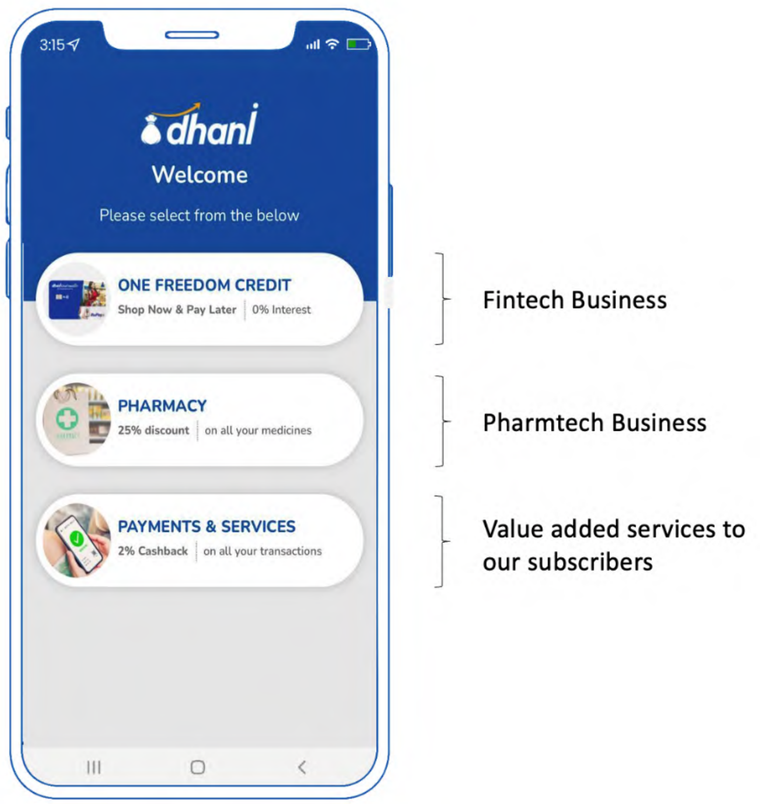
SUMMARY OF BUSINESS

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.



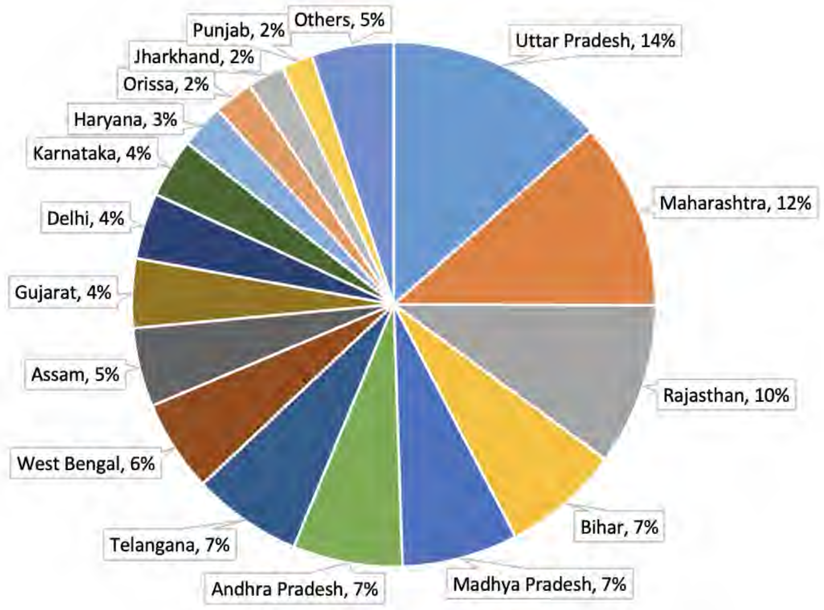
While Dhani Healthcare Limited, a subsidiary of Dhani Services Limited, undertakes the digital healthcare business for Dhani Services Limited, the digital transaction finance business is undertaken by us.

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

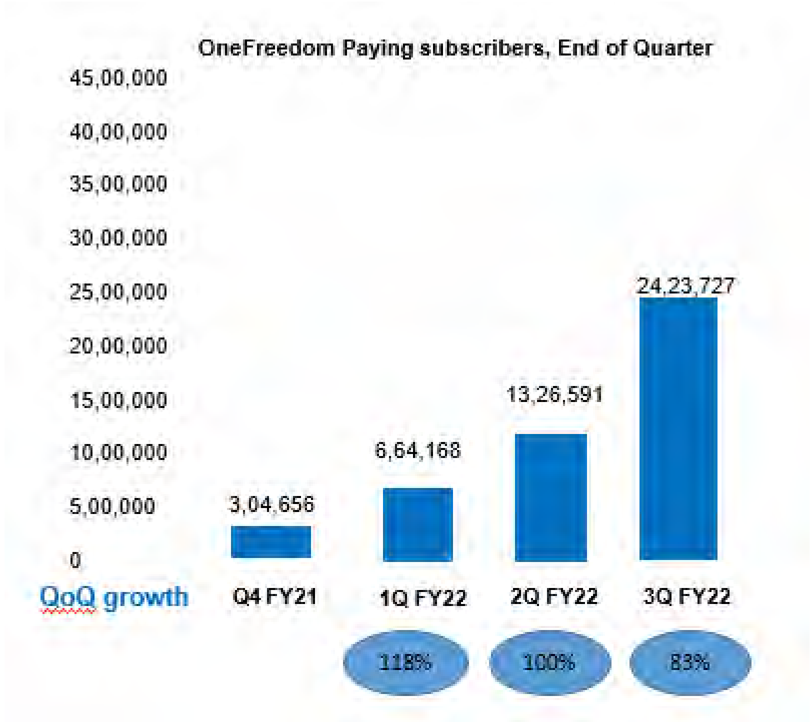
We believe that our Dhani OneFreedom Card is useful for customers as it is issued instantly upon application and serves as a convenient method to undertake everyday transactions, particularly for customers who may not have credit cards. We provide both digital and physical cards which are currently accepted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

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



As at December 31, 2021, we had approximately 2.42 million subscribers to the Dhani OneFreedom Card in over 700 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 December 31, 2021, our Company has disbursed loans to customers in over 700 cities in India through the Dhani App, enabling us to operate on a pan-India basis. Further, our Company has over 5,176 employees as at December 31, 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.

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 December 31, 2021 our loan book on a standalone basis amounted to ₹42,541.19 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 December 31, 2021 and March 31, 2021 amounted to ₹17,357.94 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 December 31, 2021, March 31, 2021, March 31, 2020 and March 31, 2019, our capital to risk (weighted) assets ratio was 67.41%, 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 ₹ 1,158.26 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 nine months period ending December 31, 2021, our total income was ₹7,772.88 million and our loss after tax for the period was ₹2,475.33 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/(loss) for the year attributable to the Shareholders of the Company	3,845.16	(414.77)	(1,115.91)
Profit/(loss) 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	-
Total Comprehensive Income/(loss) 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 flow from/(used in) operating activities (A)	(71,050.41)	55,242.16	12,144.18
Net Cash flow from / (used in) investing activities (B)	504.80	(2,737.47)	(8,051.36)
Net Cash flow from/(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

Parameters	(₹ in million unless otherwise stated) As at and for the year ended March 31,		
	2019	2020	2021
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 December 31, 2021 are as follows:

Parameters	(₹ in million unless otherwise stated) As at and for the nine months period ended December 31, 2021
Balance Sheet	
Property, plant and equipment and other intangible assets	1,434.99
Investments	1,810.27
Cash and cash equivalents	4,117.11
Financial assets (excluding Cash and cash equivalents and Investments) (1)	54,346.50
Non- financial assets (excluding Property, plant and equipment and other intangible assets) (2)	10,090.63
Total Assets	71,799.50
Debt Securities	3,609.77
Borrowings (other than Debt Securities)	15,322.73
Subordinated liabilities	-
Financial liabilities (excluding Debt Securities, Borrowings (other than Debt Securities) and Subordinated liabilities) (3)	7,130.31
Current tax liabilities (net)	4.50
Provisions	181.73
Deferred tax liabilities (net)	-
Other Non-Financial Liabilities	539.42
Instruments entirely equity in nature (HIDE)	80.08
Equity (equity share capital, other equity and non-controlling interests)	44,930.96
Total liabilities and equity	71,799.50
Statement of Profit and Loss	
Total revenue from operations	7,568.09
Other income	204.79
Total Expenses	11,033.14
Profit/(loss) for the Period	(2,475.33)
Other Comprehensive income / (loss) (Net of tax)	(50.62)
Total Comprehensive Income/(loss) (after tax)	(2,525.95)
Earnings per equity share	
Basic (₹)	(40.47)
Diluted (₹)	(40.47)
Cash Flow	
Net Cash flow from operations (A)	8,268.38
Net cash from investing activities (B)	12,661.47
Net cash used in financing activities (C)	(10,416.82)
Net Decrease in cash and cash equivalents (D=A+B+C)	(6,023.73)
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)	4,117.11
Additional information	
Networth(4)	43,564.32

Parameters	(₹ in million unless otherwise stated) As at and for the nine months period ended December 31, 2021
Assets Under Management	46,126.01
Off Balance Sheet Assets-Loans Assigned	18,401.43
Total Debts to Total assets(5)	26.37%
Interest Income (Including Treasury Income)#	3,267.58
Finance Costs	1,983.10
Interest Coverage Ratios	(0.64)
Impairment on financial instruments	3,280.96
Bad Debts to Loan Assets	1.79%
Gross NPA (%)**	4.58%
Net NPA (%)***	1.81%
CRAR - Tier I Capital (%)-Standalone##	67.41%
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/ (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:

Parameters	**(₹ in million unless otherwise stated) As at and for the year ended March 31,**		
	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/(loss) for the Year	4,001.94	542.54	(540.97)
Other Comprehensive Income/ (loss)	(2.90)	72.83	15.15
Total Comprehensive Income/ (loss) 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/ (used in) 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 flow from/ (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%

Parameters	(₹ in million unless otherwise stated) As at and for the year ended March 31,		
	FY 2019	**FY 2020**	**FY 2021**
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 December 31, 2021 are as follows:

Parameters	***(₹ in million unless otherwise stated)*** **As at and for the nine months period ended December 31, 2021**
Balance Sheet	
Property, plant and equipment and other intangible assets	1,208.83
Investments	12,094.32
Cash and cash equivalents	3,103.39
Financial assets (excluding Cash and cash equivalents and Investments) (1)	44,842.74
Non- financial assets (excluding Property, plant and equipment and other intangible assets) (2)	7,238.99
Total Assets	68,488.27
Debt Securities	3,609.77
Borrowings (other than Debt Securities)	13,748.17
Subordinated liabilities	-
Financial liabilities (excluding Debt Securities, Borrowings (other than Debt Securities) and Subordinated liabilities) (3)	4,240.87
Current tax liabilities (net)	-
Provisions	160.81
Deferred tax liabilities (net)	-
Other Non-Financial Liabilities	518.73
Instruments entirely equity in nature	80.08
Equity (equity share capital and other equity)	46,129.85
Total liabilities and equity	68,488.27
Statement of Profit and Loss	
Total revenue from operations	5,837.39
Other income	217.37
Total Expenses	8,789.53
Profit/(loss) for the Period	(2,044.40)
Other Comprehensive Income / (loss) (Net of tax)	(47.54)
Total Comprehensive Income/(loss) (after tax)	(2,091.94)
Earnings per share	
Basic (Amount in Rs.)	(33.41)
Diluted (Amount in Rs.)	(33.41)
Cash Flow	
Net cash from / (used in) operating activities (A)	10,196.96
Net cash flow from investing activities (B)	11,812.13
Net cash used in financing activities (C)	(8,473.20)
Net Decrease in cash and cash equivalents (D=A+B+C)	(6,858.03)
Cash and cash equivalents at the beginning of the period (E)	9,961.41
Cash and cash equivalents at the end of the period (D + E)	3,103.39
Additional information	
Networth(4)	46,063.81

Parameters	*(₹ in million unless otherwise stated)* **As at and for the nine months period ended December 31, 2021**
Assets Under Management	42,541.19
Off Balance Sheet Assets-Loans Assigned	18,401.43
Total Debts to Total assets(5)	25.34%
Interest Income (Including Treasury Income)#	2,903.97
Finance Costs	1,789.68
Interest Coverage Ratios	(0.53)
Impairment on financial instruments	2,385.96
Bad Debts to Loan Assets	1.95%
Gross NPA (%)**	4.96%
Net NPA (%)***	1.97%
CRAR - Tier I Capital (%)-Standalone##	67.41%
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 7, 2014 and a fresh certificate of incorporation issued by the RoC on February 5, 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 2, 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**"):

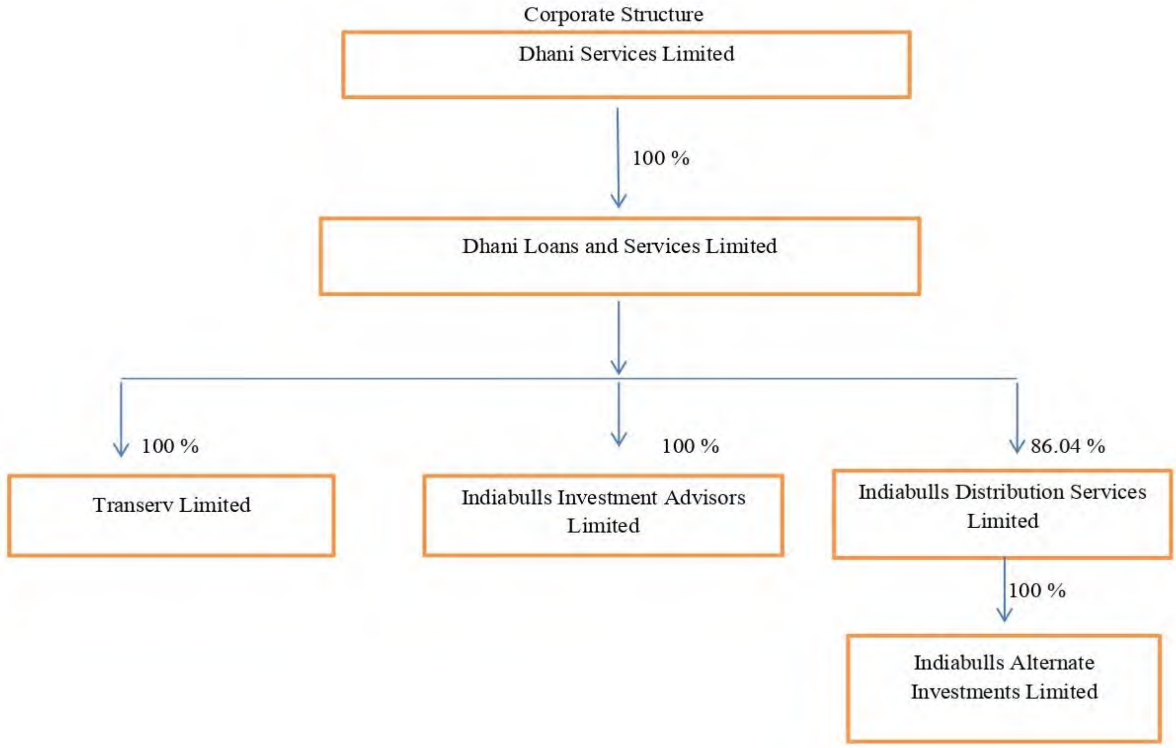
  IDSL is engaged in marketing of non-discretionary wealth management products.

- 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 7, 2014 and a fresh certificate of incorporation issued by the RoC on February 5, 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 2, 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 4353 2950
Facsimile No.: +91 11 4353 2947
Email: ncdsupport@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: ncdsupport@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 153. 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 319.

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- 122 016
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- 122 016
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 East
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,
Opp. MIG Cricket Club, Gandhi Nagar
Bandra (East), Mumbai- 400 051
Tel: 022 2655 8759
Email: contact@beacontrustee.co.in
Facsimile No.: 022 2655 8760
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 March 29, 2022, given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in the Draft Prospectus and 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 257.

Registrar to the Issue

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

Selenium, Tower B,
Plot No – 31 & 32, Financial District,
Nanakramguda, Serilingampally, Hyderabad,
Rangareddi – 500 032, Telangana, India
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: U72400TG2017PLC117649

KFin Technologies Limited (*formerly known as KFIN Technologies Private Limited)* has by its letter dated March 24, 2022 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

New Delhi Office
D 118, Saket,
New Delhi – 110017

Head Office
Phase-I, SIDCO Industrial Complex,
Near SIDCO Office Bari Brahmana
JMW India Premises Jammu Tawi 181133
Telephone No.: +91 11 4052 4636
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

Tax Auditor

Ajay Sardana Associates, Chartered Accountants

D -118, Saket,
New Delhi – 110 017
Telephone No.: + 91 11 4166 3630
Email: rahul.mukhi@asardanaco.in
Firm registration number: 016827N
Contact Person: Mr. Rahul Mukhi
Peer Review No: 013527

Credit Rating Agency

Infomerics Valuation and Rating Private Limited

104/106/108, 1st Floor, Golf Apartments
Sujan Singh Park, Maharishi Ramanna Marg
New Delhi – 110 003
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
CIN: U32202DL1986PTC024575

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, December 16, 2021, March 17, 2022 and April 5, 2022, 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 agency 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: project.shubh3@sarafpartners.com

Public Issue Account Bank, Sponsor Bank and Refund Bank

HDFC Bank Limited

HDFC Bank Limited,
FIG – OPS Department – Lodha, I Think Techno Campus O-3 Level,
Next to Kanjurmarg, Railway Station, Kanjurmarg (East),
Mumbai – 400 042, Maharashtra, India
Email: Tushar.Gavankar@hdfcbank.com, Siddharth.Jadhav@hdfcbank.com, Neerav.Desai@hdfcbank.com
Telephone: +91 22 3075 2927, +91 22 3075 2928, +91 22 3075 2914
Facsimile: +91 22 2579 9801
Webiste: www.hdfcbank.com
Investor Grievance Email: Tushar.Gavankar@hdfcbank.com, Siddharth.Jadhav@hdfcbank.com, Neerav.Desai@hdfcbank.com
Registration Number: INBI00000063
Contact Person: Tushar Gavankar, Siddharth Jadhav, Neerav Desai

Consortium Members

Edelweiss Broking Limited
2nd Floor, Office No. 201-203
Zodiac Plaza, Xavier College Road
Off C G Road, Ahmedabad – 380 009
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.: +91 22 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 4, 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. 750 million. If our Company does not receive the minimum subscription of 75 % of the Base Issue Size which is Rs. 750 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 84.

Issue Schedule

ISSUE PROGRAMME*	
ISSUE OPENS ON	April 19, 2022
ISSUE CLOSES ON	May 10, 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* 257.

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 257.

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. Drafting and design of the Issue Documents. (The Merchant Bankers shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchange, RoC and SEBI including finalization of Issue Documents and RoC filing).	Edelweiss and Trust	Edelweiss
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

S. No.	Activities	Responsibility	Coordinator
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 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.	Edelweiss and Trust	Edelweiss
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 March 31, 2022:

(in ₹, except share data)

	Particulars	Amount
A.	**AUTHORISED SHARE CAPITAL**	
	77,000,000 Equity Shares of ₹10 each	770,000,000
	8,500,000 Preference Shares of ₹10 each	85,000,000
	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	37,053.43 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 March 31, 2022, 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.
December 15, 2021 (EGM)	855,000,000	Reclassification of authorised share capital of the Company from ₹855,000,000 divided into 80,000,000 equity shares of ₹10 each and 5,500,000 preference shares of ₹10 each, to ₹855,000,000 divided into 77,000,000 equity shares of ₹10 each and 8,500,000 preference shares of ₹10 each, along with the consequential replacement of the existing Clause V of the Memorandum of Association of the Company.

3. **Share Capital History of our Company for the last three years as on March 31, 2022**

a) Details of Equity Share Capital

The history of the paid-up Equity Share capital of our Company, as on March 31, 2022 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 March 31, 2022 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
December 16, 2021(2)	8,008,178	10	765	Cash	Preference Share Issue (Redeemable Convertible Preference Shares (RCPS))	8,008,178	80,081,780	6,046,174,390
March 30, 2022(3)	(8,008,178)	10	-	-	Redemption of preference (3)	0	0	

(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).

*(2) The Company, on December 16, 2021, allotted of 8,008,178 redeemable convertible preference shares of face value of ₹10 each ("**RCPS**"), at an issue price of ₹765 per RCPS (including a premium of ₹755 per*

RCPS), for an aggregate consideration of ₹6,126,256,170, to Dhani Services Limited (formerly Indiabulls Ventures Limited).

(3) *The Company, on March 30, 2022, redeemed RCPS of face value of ₹10 each at ₹765 per preference share (including the premium of ₹755 per RCPS).*

4. **Shareholding pattern of our Company as at March 31, 2022**

The following table sets forth the details regarding the equity shareholding pattern of our Company as on March 31, 2022:

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*)				

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The following table sets forth the details regarding the equity shareholding pattern of our Promoter and Promoter Group as on December 31, 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	183,308,166	NIL	NIL	183,308,166	30.05	183,308,166	NIL	183,308,166	30.25	NIL	29.17	18,33,08,166
(B) Public	111,269	397,988,900	89,48,806	NIL	406,937,706	66.72	397,988,900	4,921,843	4,029,10,743	66.50	18,570,600	67.70	406,928,976
(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	NIL	NIL	NIL	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	3.25	NIL	3.13	19,700,000

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				
Total:	1,11,277	600,997,066	8,948,806	2,038	609,947,910	100.00	600,999,104	4,921,843	605,920,947	100.00	18,570,600	100.00	609,939,180

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 March 31, 2022:

Nil

The following table shows the details of the significant beneficial owners as on March 31, 2022:

Nil

Details of Depositary Receipts as on March 31, 2022:

Nil

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

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. Matbeer Singh and Mr. Pankaj Sharma, respectively, as a nominee of Dhani Services Limited Limited (formerly Indiabulls Ventures Limited).*

6. **Shareholding of the Promoter in our Company's Subsidiaries as on March 31, 2022**

   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 March 31, 2022**

   Nil

8. **Details of the Directors' shareholding in our Company's Subsidiaries, joint ventures and associates, as on March 31, 2022**

   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 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:**

   Other than as stated below, none of the members of the Promoter Group or directors of the Company which is a Promoter of the Company or the directors of the Company and their relatives have purchased or sold any securities of the Company and its Subsidiaries within six months immediately preceding the date of filing this Prospectus.

   Our Company, on December 16, 2021, allotted 8,008,178 redeemable convertible preference shares of face value of ₹10 each ("**RCPS**"), at an issue price of ₹765 per RCPS (including a premium of ₹755 per RCPS), for an aggregate consideration of ₹6,126,256,170, to our Promoter, Dhani Services Limited (formerly Indiabulls Ventures Limited). Subsequently, on March 30, 2022, our Company has redeemed the 8,008,178 RCPS allotted to our Promoter at a redemption price of ₹765 per RCPS.

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

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	61,187,994	100.00	61,187,994

Sr. No.	Name	No. of Equity Shares	As a % of total number of shares	No. of Equity Shares in demat form
	(*formerly Indiabulls Ventures Limited*)			
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	-
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 April 4, 2022:**

For details of top 10 debenture holders of our Company, please see "*Financial Indebtedness*" on page 204.

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

The statement of capitalisation (debt to equity ratio) of our Company as on December 31, 2021 on a consolidated basis:

(₹ in million unless otherwise stated)

Particulars	Prior to the Issue (as on December 31, 2021)	Post Issue*
Debt		
Debt securities	3,609.77	5,609.77
Borrowings (other than debt securities)	15,322.73	15,322.73
Subordinated liabilities	-	-
Total Debt (A)	**18,932.50**	**20,932.50**
Equity		
Equity Share Capital	611.88	611.88
Instruments entirely equity in nature	80.08	80.08
Other equity	43,666.78	43,666.78
Total Equity (B)	**44,358.74**	**44,358.74**
Total debt/ total equity (A/B) (In times)	**0.43**	**0.47**

Note: Considering cash and cash equivalents, the net debt to equity ratio as at December 31, 2021 stands at 0. 33 times.

**The debt - equity ratio post Issue is indicative on account of the assumed inflow of ₹2,000 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 December 31, 2021 on a standalone basis:

(₹ in million unless otherwise stated)

Particulars	Prior to the Issue (as on December 31, 2021)	Post Issue*
Debt		
Debt securities	3,609.77	5,609.77
Borrowings (other than debt securities)	13,748.17	13,748.17
Subordinated liabilities	-	-
Total Debt	**17,357.94**	**19,357.94**
Equity		
Equity Share Capital	611.88	611.88
Instruments entirely equity in nature	80.08	80.08
Other equity	45,517.97	45,517.97
Total Equity (B)	**46,209.93**	**46,209.93**

Particulars	Prior to the Issue (as on December 31, 2021)	Post Issue*
Total debt/ total equity (A/B) (In times)	**0.38**	***0.42***

Note: Considering cash and cash equivalents, the net debt to equity ratio as at December 31, 2021 stands at 0.31 times.

**The debt - equity ratio post Issue is indicative on account of the assumed inflow of ₹2,000 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.

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

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

    Nil

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

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

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

19. For details of the outstanding borrowing of our Company, please see "*Financial Indebtedness*" on page 204.

20. 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/or 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 ₹2,000 million
2.	(less) Issue Related Expenses*	Up to ₹55.00 million
3.	Net Proceeds (i.e., Gross Proceeds *less* Issue related expenses)*	Up to ₹ 1,945 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/or 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 ₹ millions)	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.)	33	1.65%
Advertising and Marketing Expenses	15	0.75%

Printing, Stationery and Distribution	2	0.10%
Other Miscellaneous Expenses	5	0.25%
Total	55	2.75%

**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 264.

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 257.

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: April 11, 2022 Ref. No.: ASA/2022-23/001

To,

The Board of Directors
Dhani Loans and Services Limited
M - 62 and 63 First Floor
Connaught Place
New Delhi -110001
Dear Sirs,

Sub: Proposed public issue by Dhani Loans and Services Limited (the "Company" or the "Issuer") of secured redeemable non-convertible debentures of face value of Rs. 1,000 each (the "NCDs"), aggregating up to Rs. 1,000 million ("Base Issue") with an option to retain oversubscription up to Rs. 1,000 million, aggregating up to Rs. 2,000 million ("Issue Size") ("Issue").

1. We confirm that the enclosed Annexure prepared by Dhani Loans and Services 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, 2022, i.e. applicable for the Financial Year 2022-23 relevant to the assessment year 2023-24, 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.

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Office: D 118, Saket, New Delhi – 110017 Phone: +91 11 4166 3630

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: April 11, 2022
UDIN: 22099719AGUNXF9146

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, 2022 (FA 2022) read along with the Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020 (Relaxation Act).

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 Finance Act, 2020 ("**FA 2020**"), such individual or HUF shall not be entitled to deduction specified, inter alia, under section 80C of the IT Act.

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

Alternate Minimum Tax ("AMT")

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

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

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

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

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

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

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

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

[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

keep and maintain such documents as are necessary to substantiate the information mentioned in Form 10F.

Widening of taxability of Capital Gains

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

General Anti Avoidance Rules ("GAAR")

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

Withholding provisions

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

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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. • 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.
S. No.	**Scenario**	**Provisions**
	Withholding tax rate on purchase of 'goods'	• As per section 194Q of the IT Act, inserted by Finance Act, 2021 ("**FA 2021**"), any sum payable by a 'buyer' to a resident for purchase of 'goods' of the value exceeding INR 50 Lakhs shall be liable to withholding at the rate of 0.1 percent. • Buyer means a person whose total sales, turnover or gross receipts from the business carried on by him exceeds INR 10 crores in the financial year immediately preceeding 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 2020-21	25 per cent	15 per cent
Domestic manufacturing company set-up and registered on or after 1 March 2016 subject to fulfilment of prescribed conditions (Section 115BA)	25 per cent	15 per cent
Any domestic company (even if an existing company or engaged in non-manufacturing business) has an option to avail beneficial rate, subject to fulfilment of prescribed conditions (Section 115BAA)	22 per cent	Not applicable
Domestic manufacturing company set-up and registered on or after 1 October 2019 and commences manufacturing upto 31 March 2024, has an option to avail beneficial rate, subject to fulfilment of prescribed conditions (Section 115BAB)	15 per cent	Not applicable
Domestic companies not falling under any of the above category	30 per cent	15 per cent

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

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

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

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

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	10 per cent on total tax

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

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For assessees other than those covered above

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

	- 5 per cent where taxable income exceeds Rs 10 Crore

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

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

Note 6: Amendments in the withholding tax provisions

Section 139A(5A) requires every person from whose income tax has been deducted under the provisions of chapter 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 24 June 2016, has clarified that the provisions of section 206AA shall not apply to non-residents in respect of payments in the nature of interest, royalty, fees for technical services and payment on transfer of capital assets provided the non-residents provide the following information to the payer of such income:

- Name, email-id, contact number;

- Address in the country or specified territory outside India of which the deductee is a resident;

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

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

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

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

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

• twice the rate or rates in force; or

• the rate of 5%

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

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

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

• The aggregate amount of TDS/TCD exceeds INR 50,000 or more in the said previous years

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

Note 7: Other Provisions

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

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

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

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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 2023-24 i.e. Financial Year 2022-23. 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 January 2022, and government publications, such as RBI State of the Economy-RBI Bulletin March 2022. 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

The ongoing geopolitical crisis has heightened the uncertainty clouding the global macroeconomic and financial landscape even as the world economy struggles to recover from the pandemic. As the conflict escalates, oil and other commodity prices are blazing to multiyear highs, and financial markets are on edge, driven by massive sell-offs. Global economic prospects are suffused with heightened uncertainty and clouded by downside risks from geopolitical conflict, with spillovers reverberating across the world. This is happening at a time when countries are still reeling under the pandemic. The escalation of geopolitical risk, surge in crude oil prices and intensified volatility across global financial markets may smother the embryonic global recovery. This shock has also hit at a time when inflation is elevated in many countries. Moreover, with monetary policy normalisation imminent, global financial conditions could tighten further. At the receiving end are emerging market economies (EMEs), already reeling under currency depreciation, massive sell-offs by foreign portfolio investors and slowing growth.

(Source: RBI State of the Economy-RBI Bulletin March 2022 - https://rbidocs.rbi.org.in/rdocs/Bulletin/PDFs/01AR_170320222C86A7109B5EB49828A680533D82C8FC0.PDF)

The Indian Economy

The Indian economy steadied in February 2022 after some moderation of pace in the preceding month when the third wave was at its peak. By March 15, 2022, however, the third wave receded sharply, with the 7-day average of daily infections plunging below 3,500. On the vaccination front, 96.0 per cent of the adult population has been inoculated with the first dose, while 82.3 per cent were administered both doses. Economy gaining traction has helped in rebuilding consumer confidence as reflected in the all-India Centre for Monitoring Indian Economy (CMIE) index of consumer sentiment, which rose to its highest level since the first wave of the pandemic across both urban and rural constituents.

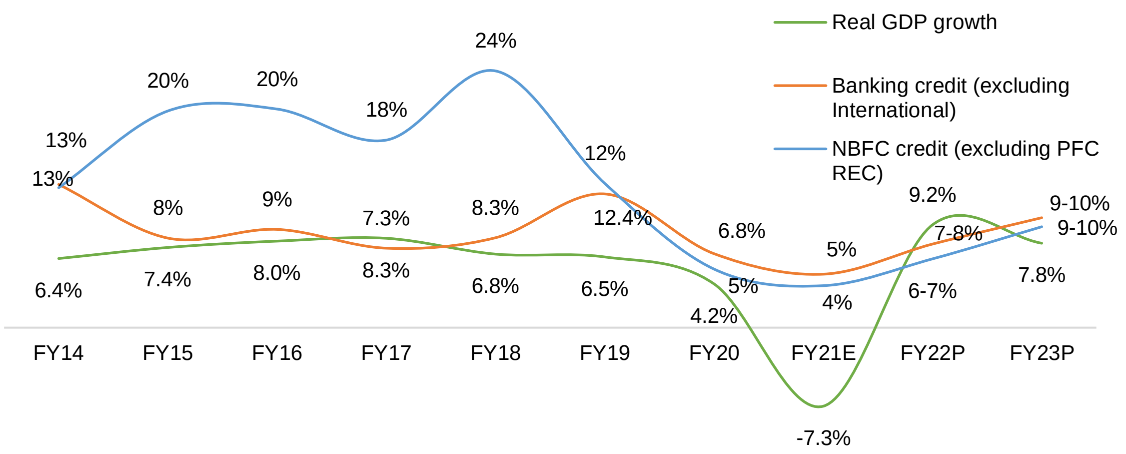
Mobility around retail and recreation activity, grocery and pharmacies, parks, workplaces and transit station is above pre-pandemic levels. The job market remained ebullient, with the Naukri JobSpeak index climbing to its highest level in February 2022, with a sharp growth in hiring in insurance and retail sectors. There is a revival in employment in the auto industry after a prolonged period of lull, while hiring across information technology (IT), hospitality and financial services remained robust. In February 2022, revenue collections under the goods and services tax (GST) crossed Rs. 1.3 lakh crore mark for the second consecutive month. The issuance of e-way bills remained robust.

*(Source: RBI State of the Economy-RBI Bulletin March 2022 - **https://rbidocs.rbi.org.in/rdocs/Bulletin/PDFs/01AR_170320222C86A7109B5EB49828A680533D82C8FC0.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

The first advanced estimates (FAE) released by the National Statistical Office show India's real gross domestic product (GDP) is set to grow 9.2% in this fiscal compared with a pandemic-led contraction of 7.3% in fiscal 2021, indicating the economy (in real terms) is still only 1.3% above the pre-pandemic (fiscal 2020) levels. 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.

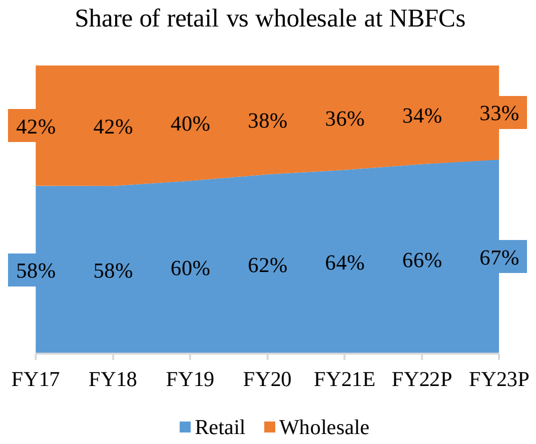
NBFC segment which stood at Rs 23.7 trillion in fiscal 2021 (excluding PFC and REC) is expected to grow at 6-7% in fiscal 2022. This is mainly led by growth in retail segments like Housing, Auto, Gold which have performed well even in previous fiscal. After surpassing pre-Covid level disbursements in 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, with disbursements growth better compared to the first quarter.

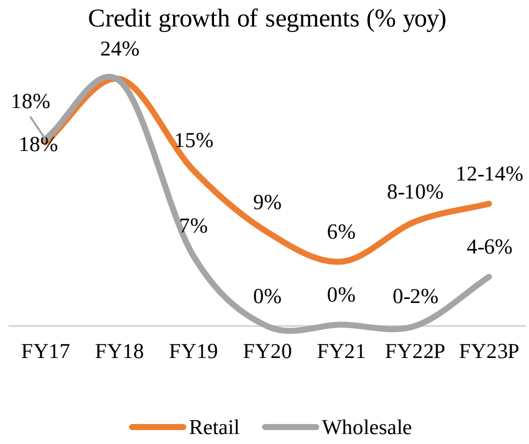
Improving vaccination progress, rapid revival in the economy is expected to drive the consumer demand in rest of the quarters leading to a healthy growth of the NBFCs this fiscal. Fiscal 2023 is expected to fare better at 9-10% growth with support from wholesale segment as well.

NBFCs logged a healthy CAGR of 14% over fiscals 2016 to 2020. However, their book grew at a slower rate of 5% during fiscal 2020 mainly due to the liquidity and funding shortages that started after the IL&FS default in mid of fiscal 2019 and continued during fiscal 2020. 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: Housing at HFCs grew at a healthy compounded annual growth rate (CAGR) of 13% from fiscal 2016-2020 which was led by increasing demand from Tier 2 and 3 cities, rising disposable incomes, and government initiatives such as Pradhan Mantri Awas Yojana, interest rate subvention schemes, and fiscal incentives. During fiscal 2021 due to onset of pandemic growth slowed down in first half of fiscal 2021, however, there was a faster-than-envisaged revival in the third and fourth quarters, with the Reserve Bank of India (RBI), the Centre and state governments providing impetus which led to 7% growth for fiscal 2021. The second Covid-19 wave impacted disbursements in the first quarter, however, with income levels of salaried customers largely intact and home loan rates remaining low, disbursements rebounded in the second quarter of fiscal 2022 with 80-90% growth sequentially. CRISIL Research expected the NBFC housing credit to grow at 9-11% during this fiscal. With the economy improving further, credit is expected to grow at 10-12% in fiscal 2023.

Auto finance saw a growth of 3% is fiscal 2021, mainly due to the onset of the pandemic, which impacted the already muted vehicle sales seen across all segments, from fiscal 2020 onwards. Fiscal 2022 was affected by partial lockdowns and supply-side disruptions in the first half of this fiscal, especially in the passenger vehicle (PV) segment. 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 companies. This will help the segment recover from the stress faced in the first and second quarter to log 5-7% growth this fiscal. Growth will be relatively slow as the players remain cautious and also face competition from banks especially in new CV segment.

Gold loan finance saw a decent growth of 5-7% in the second quarter of fiscal 2022 post a muted first quarter impacted by second wave, after witnessing a 27% growth in FY21. Lenders are now comfortable lending to customers and both banks and NBFCs are aggressively pitching gold loan products to have good assets on the book. While the economic situation has improved significantly since post second wave, gold prices are also expected to moderate in FY22. With demand reviving, players are expected to restore LTVs to pre-pandemic levels and we expect AUM to grow 12-14% in fiscal 2022, slower than that seen in FY21. Growth will continue and gold AUM is expected to increase 11-13% in fiscal 2023 as we expect gold prices to remain range bound.

Microfinance sector grew by 11% in fiscal 2021. Disbursements in second quarter of fiscal 2022 grew by 87% over fiscal 2021, and cumulative H1 disbursements of fiscal 2022 grew by triple digits over H1 of fiscal 2021. Though the third wave is expected to have a slight impact in repayments and disbursements, the industry will continue to grow at 10-12% range, as seen in fiscal 2021 as well, and grow at a faster rate in fiscal 2023 at 10-15%.

MSME: This sector witnessed high impact of the first and second wave of the pandemic in fiscal 2021 and in first quarter of fiscal 2022 respectively. With sector's close linkage to economic activities, the magnitude of impact was significant due to frequent lockdowns and restrictions which impacted demand and supply. During first quarter of this fiscal NBFCs' MSME book remained flat with increase observed only in LAP book. CRISIL Research expects the outstanding book of NBFCs in the MSME segment to grow at 4-6% in this fiscal.

Real estate and Corporate: Lower disbursements resulted in degrowth of 6% 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. CRISIL Research estimate a degrowth of 3-5% in this fiscal.

Infrastructure including PFC and REC: With the segment majorly dominated by PFC and REC, growth in this fiscal to be at 4-6%, compared to 11% growth seen in fiscal 2021. This is primarily due to the fall in disbursements seen in this fiscal, which saw a growth in fiscal 2021 primarily due to the Atmanirbhar led disbursements by both PFC and REC to power distribution companies. Books of players other than PFC and REC have been impacted severely in H1 of fiscal 2022, leading to a muted growth of (0-2%) in fiscal 2022, compared to a 5% growth seen in fiscal 2021.

Asset quality pressure to persist in the near term

	Segment	Collection efficiency Sep'21	GNPA FY21	Stressed Assets FY22E	Stressed Assets FY23P
Retail	Housing	90-95%	1.7%	3.4-3.6%	3.3-3.5%
Retail	Auto (all segments)	90-95%	6.3%	10-10.5%	9-9.5%
Retail	Gold	95-100%	1.2%	1.3-1.5%	1.2-1.4%
Retail	Micro Finance	85-90%	5.4%	7-10%	5-8%
Wholesale	MSME	85-90%	7-9%	8-10%	9-11%
Wholesale	Real estate, Corporate	n. m	n.m	n. m	n. m
Wholesale	Infrastructure (including PFC REC)	n. m	7%	4.5-5.5 %	4-5%

Note: 1) Stressed advances refer to both GNPA and restructuring amounts put together

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

3) Stressed assets in Real estate and corporate loans are not meaningful due to addition of contractual moratorium, DCCO extension, one-time restructurings

Source: Company Reports, CRISIL Research

The second wave adversely affected the fragile recovery witnessed in the fourth quarter of last fiscal and has affected the collection efficiencies across asset classes in Q1 of fiscal 2022. Collection efficiency, however, recovered since July 2021 and most segments have reported collection efficiencies back to pre-pandemic levels as of September 2021.
With the NPA standstill provision lifted in December 2021, gross non-performing assets (GNPAs) in segments such as auto, microfinance, and MSME have spiked as of March 2021 and further impacted in the first quarter of fiscal 2022. However, the impact was not as severe as compared to the first wave, and players across segments have reported improvement in GNPAs from the second quarter itself.

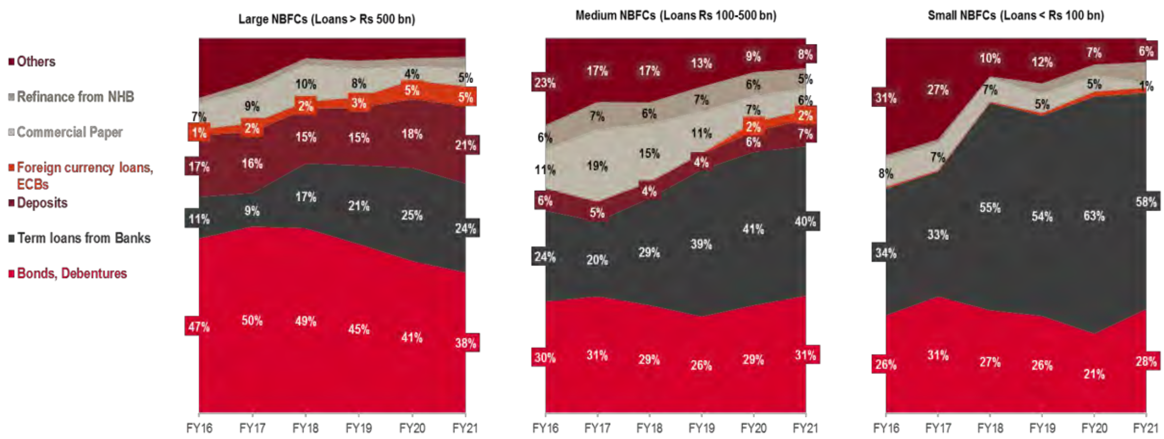
The relief measures from government and RBI such as moratorium and restructuring provided a breather to all customers and industries in fiscals 2021 and 2022. After a moratorium of six months (between March 2020 and August 2020), accounts that were stressed because of the Covid-19 outbreak (and were standard as of February 29, 2020) were eligible for a one-time restructuring (OTR) under the RBI's Resolution Framework. Stressed customers whose incomes were hit hard due to economic slowdown have opted for restructuring. With second wave shattering the growing economy once again, the RBI has introduced second phase of restructuring in May 2021:

- Borrowers, i.e., individuals, small businesses and MSMEs, having aggregate exposure of up to Rs 25 crore, and who have not availed of restructuring under earlier frameworks (including Resolution Framework 1.0), and who were classified as 'standard' as on March 31, 2021, will be eligible under Resolution Framework 2.0. Restructuring under the proposed framework can be invoked up to September 30, 2021, and will have to be implemented within 90-days post invocation
  - With respect to individual borrowers and small businesses who have availed loan restructuring under Resolution Framework 1.0, where the resolution plan permitted a moratorium of less than two years, lending institutions are permitted to use this window to modify such plans to the extent of increasing the period of moratorium and/or extending the residual tenure up to two years

Retail segments like housing and gold loans will be least impacted in fiscal 2022 as well, whereas MSME and real estate loans will take a bigger hit because of the vulnerability of the underlying borrower class.

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 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.

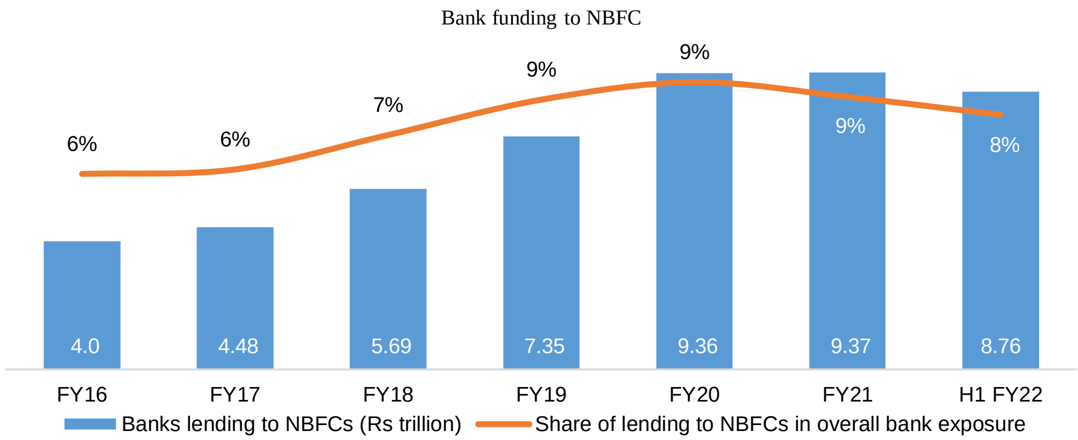
Meanwhile medium sized NBFCs and small NBFCs largely depend on term loans as their principal source of borrowing mix. In addition, majority of the small NBFCs are non-deposit taking. Share of term loans increased rapidly in small and medium NBFCs after the crisis, which hit these NBFCs the hardest, compared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



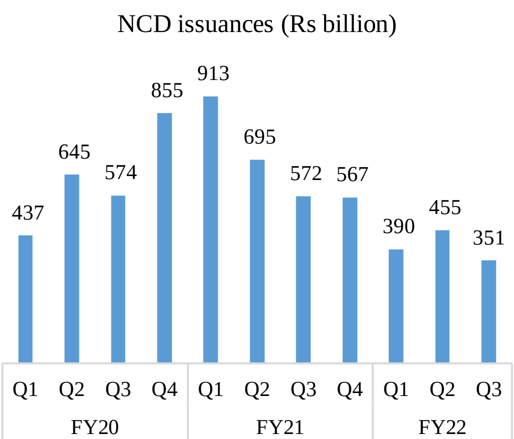
Source: Company Reports, CRISIL Research

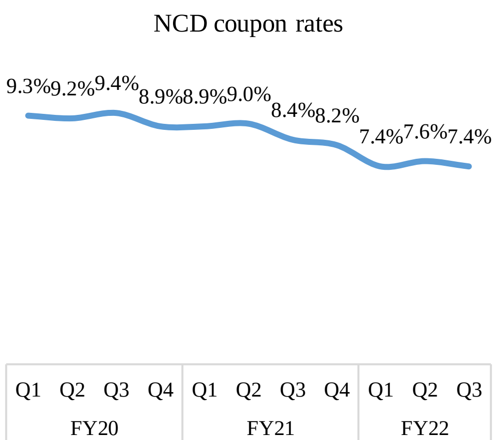
Lending to NBFCs gained share in the overall banking exposure to 8% in H1 of fiscal 2022, compared to 6% prior to fiscal 2017, where most NBFCs tapped bonds and debentures.

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 567 billion in Q4 of fiscal 2021. It however reduced in first quarter of fiscal 2022, due to the second wave and has picked up from quarter two onwards.

NCD issuances increased by 33% in fiscal 2021



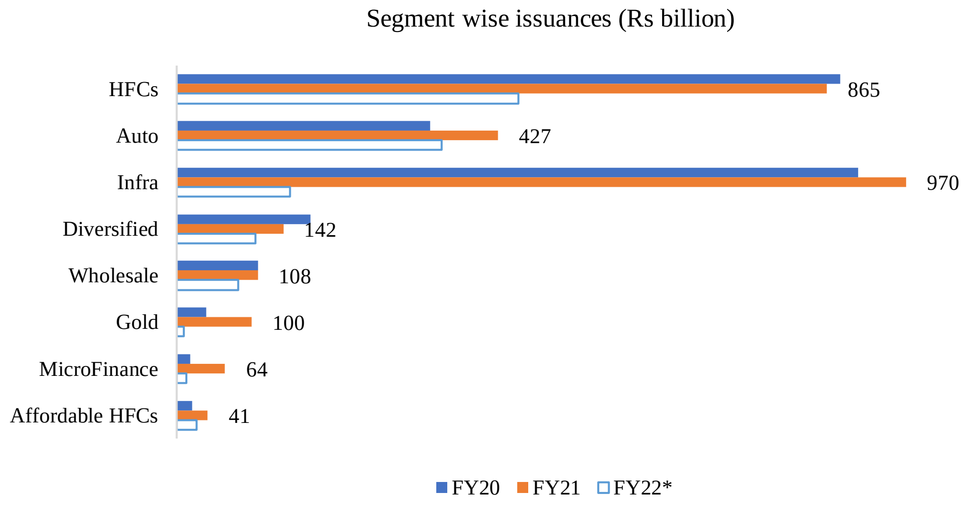


Note: Top 100 companies in terms of AUM considered for issuances

Source: BSE, CRISIL Research

However, second wave impacted the issuance severely, with number falling by half in first quarter of fiscal 2022. But, issuances are expected to pick up in rest of the fiscal 2022 due to with improving credit growth and resolution of stressed assets at NBFCs.

Retail segments led the NCD issuances in fiscal 2021



Note: FY22 as of December 2021, Top 100 companies in terms of AUM considered for issuances
Source: 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

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. Securitisation volume for the third quarter grew ~8% on-year to ~Rs 29,000 crore, lifting the cumulative value of deals executed in the first nine months of this fiscal to ~Rs 80,000 crore Though it is higher than the volumes of fiscal 2021 for the same period, it was still only half of the pre-pandemic average. While securitisation volume has continued to grow this fiscal, caution has once again crept in among the investor community, slowing the pace of growth.

In the asset-backed securitisation (ABS) category, commercial vehicle (CV)-backed loans were dominant, buoyed by past trends indicating a lower impact from short-term disruptions caused by restrictions on movement of goods and people. Transactions with underlying CV loans comprised 39% of the Q3 FY22 volume. The proportion of other asset classes such as two-wheeler (1%) and gold (11%) loans declined somewhat while that of microfinance loans remained at 9% of funds mobilised in the quarter.

With the emergence of the third wave, securitisation activity could be slow in the near term. However, the use of securitisation as an integral element of liquidity management and as an alternative funding source for financing entities will continue to drive the market in future, as economic activity normalises.

Personal loan

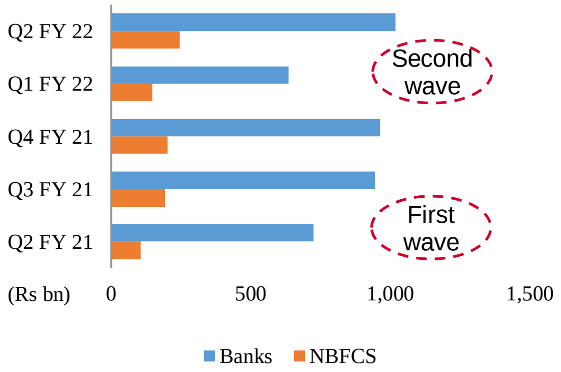
Personal loans on a strong rebound

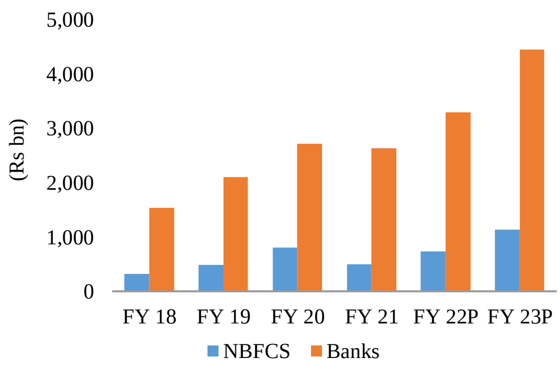
Key points:

- Disbursement to exceed pre-pandemic level in FY 22
- Rising share of small ticket loans (<Rs 1 lakh) by borrowers in the lower age bracket to drive non-banking financial companies (NBFCs)
- Rising digital penetration, driven by financial technology companies (fintechs), to result in considerable rise in low-ticket size loans
- Share of towns/cities Tier II and below in overall disbursement rising continuously; sharper focus of NBFCs on these regions to support their growth trajectory
- The market at a glance

The personal loan market recovered in the second quarter of this fiscal, post a muted first quarter when disbursements had dropped ~33% on-quarter amid lockdowns imposed across states, forcing cautious lenders to focus on collections instead. With restrictions easing and normalcy returning gradually, the second quarter saw a 62% jump in disbursements, taking loans outstanding up by 7% on-quarter. Collections, too, recovered to the pre-pandemic level of above 90%. All this is expected to spur lenders to push disbursements aggressively as the job scenario improves and income-related risks subside. For this fiscal, therefore, we expect the personal loan book to grow 20-25% to Rs 8.2 billion — faster than ~16% growth logged last fiscal — backed by a steady 20-25% improvement in disbursement.

Disbursement to bounce back past pre-pandemic mark





P: Projected

Source: CRISIL Research, Credit Bureau

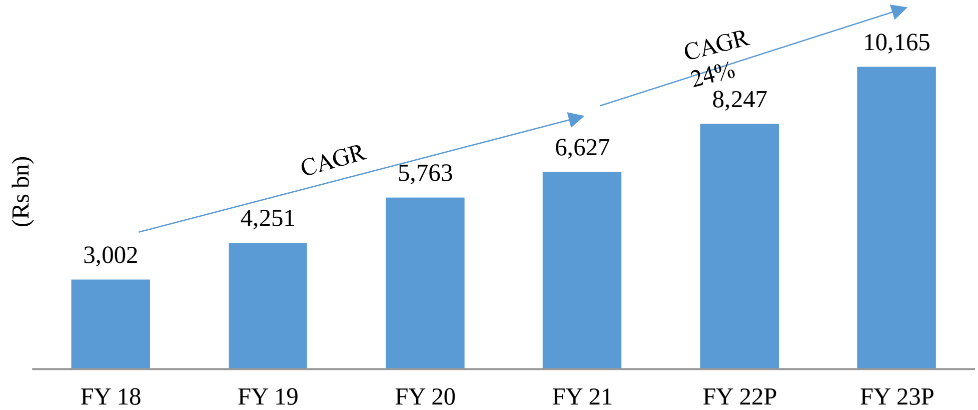
The growth momentum is projected to continue in fiscal 2023.with disbursements rising another 37-42% on-year. Disbursements by NBFCs are expected to grow 42-47% on-year — faster than 16-21% on-year for banks — given a low base due to a sharp decline last fiscal.

Prior to fiscal 2021, disbursement growth was strong for both categories. Between fiscals 2018 and 2020, banks had logged a compound annual growth rate (CAGR) of 30-35% as they aggressively grew their retail portfolio with a focus on the lower risk segment of the unsecured loan portfolio, i.e. salaried customers. Growth in disbursements for NBFCs was much higher at 50-60% CAGR over the period as players expanded their footprint into cities/towns Tier II and below, and fintechs targeted new customers with low ticket size requirement.

Book growth to revive in fiscals 2022 and 2023 on strong disbursements and improving collections

The overall personal loan book, which increased ~30% CAGR between fiscals 2017 and 2021, moderated to 16% on-year in fiscal 2021. The lower print was because of disbursements declining 11% on-year in fiscal 2021 on account of low repayments amid the book remaining under moratorium for first half of the year, translating into lower book run down.

Outstanding book for personal loans



P: Projected

Source: CRISIL Research, Credit Bureau

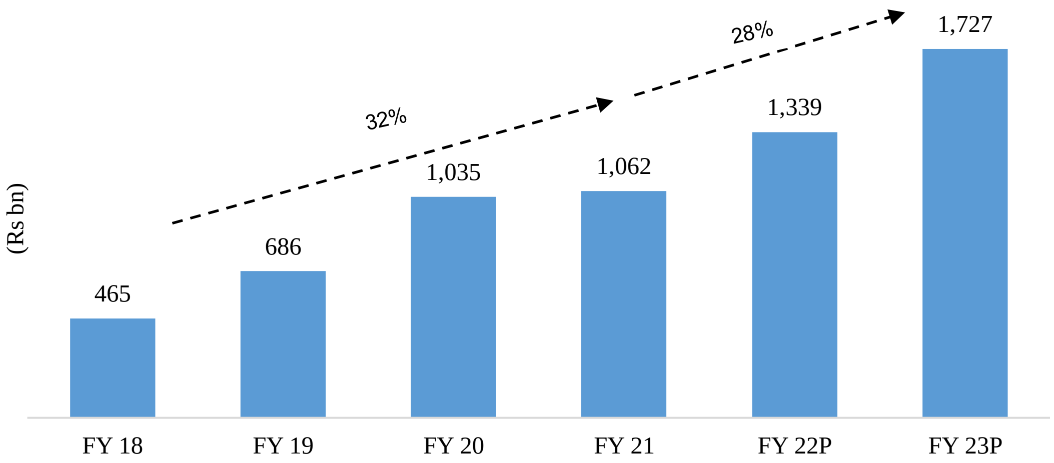
Segment-wise, though, the book growth of banks was higher at 18% as delinquencies levels were lower owing to better credit profile of customers. Salaried customers working with top-rated corporates did not see much impact on incomes, and thereby banks realised prompt payments and lower share of customers opting for moratoriums. In the case of NBFCs, the customers are primarily self-employed and salaried customers working at lower-rated corporates, for whom impact on income was significant, leading to higher proportion opting for moratoriums. As a result, despite a sharp drop in disbursement of NBFC personal loans, book improved by 11%.

In the first quarter of fiscal 2022, the Reserve Bank of India did not announce a moratorium for customers despite the second wave of Covid-19 infections. Hence, collections stayed low as repayments dropped. Typically, repayment rates are 25-30% for the personal loan book as loans are up to three years.

As collections have inched back to normal levels, we expect the repayment rated to improve to the historical level of 25-30%. Consequent increase in disbursements is expected to translate into loan book growth of ~26% for NBFCs. Banks personal loan book is expected to also grow at nearly the same pace, at ~24%.

In fiscal 2023, though, the NBFC loan book is projected to accelerate ~29% on-year, which will widen the gap with banks by 250-300 bps, as lenders in the segment once again turn aggressive, spurred by improving collections and moderating asset quality concerns. In fact, NBFCs' share had gradually increased since fiscal 2018, gaining 200 bps over banks, before shrinking in fiscal 2021 because of Covid-19. While this trend will continue in fiscal 2022, a reversal is projected in fiscal 2023, with NBFCs' share expanding to 17%.

NBFC book growth to rebound in fiscals 2022 and 2023 with an improving economy



P: Projected

Source: CRISIL Research, Credit Bureau

NBFCs and fintechs driving ticket sizes lower

With deepening market penetration by fintechs and NBFCs, the share of small ticket size loans (STPLs) is gradually increasing. STPLs, which are loans below Rs 0.1 million, have seen their share rise from 15% in fiscal 2018 to ~20% in fiscal 2021 in the overall personal loan book, and further to ~22% as of June 2021.

NBFCs dominate the STPL segment, with a share of ~65%, while banks have a higher share in the high-ticket segment. This is evident from the average ticket size for banks increasing to above Rs 3 lakh, while that of NBFCs has dropped by ~79% over the past three years. A large part of this is mainly due to emergence of fintech's over the past 2-3 years.

Fintechs have been rapidly expanding their base in the personal loan segment by offering loans to younger, low-income and digital-savvy customers with insufficient credit history, but with credit requirement for small ticket size and low duration loans. The loan disbursed is as low as Rs 10,000-20,000 to aspirational customers that want to purchase the latest gadget or to meet their immediate cash needs. Here, fintechs primarily rely on the customer's mobile phone data to assess repayment ability; fintech are building advance algorithms that analyse mobile phone data that provide specific insights into a customer's liquid cash flow as well as repayment history, along with spending habits.

In fact, NBFCs and Fintech's have strengthened their risk management processes and data analytics capabilities over the years. Stringent underwriting norms and monitoring mechanisms have also been reinforced. Most players have been investing in risk analytics and technology to further de-risk their exposure.

However, the pandemic affected loan growth, as asset quality concerns got magnified owing to relatively weaker asset quality of such customers. The first and second wave have had severe impact on income levels, resulting into low repayments. With asset quality of most players deteriorating in the first quarter of fiscal 2022 and decline in collections, players stopped disbursements, but in the second quarter of fiscal 2022, there was a turnaround.

Fintech

Fintech is a fairly new industry which with the help of technology is helping the banking and financial sector to flourish and upgrade its services to match the technological pace and to cater to customer needs in an efficient manner. The banking space is undergoing a transitional phase in terms of adapting to technology with continuous need for innovation. The fast-transforming digital environment along with highly regulatory framework and increasing Non-Performing Assets/Stressed Assets puts the BFSI domain in a challenging environment.

Fintech industry poised for growth

- India's fintech industry is still largely skewed towards payments. Lending is a relatively smaller segment

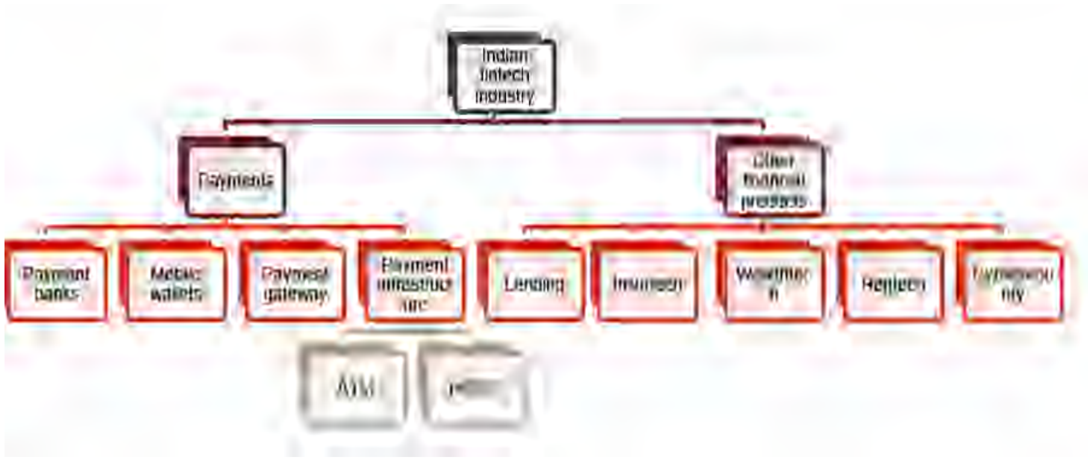
- Proactive regulation and government initiatives has enabled adoption and growth of fintech ecosystem. Also, COVID and lockdown has further pushed for contact less payments.

- 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.

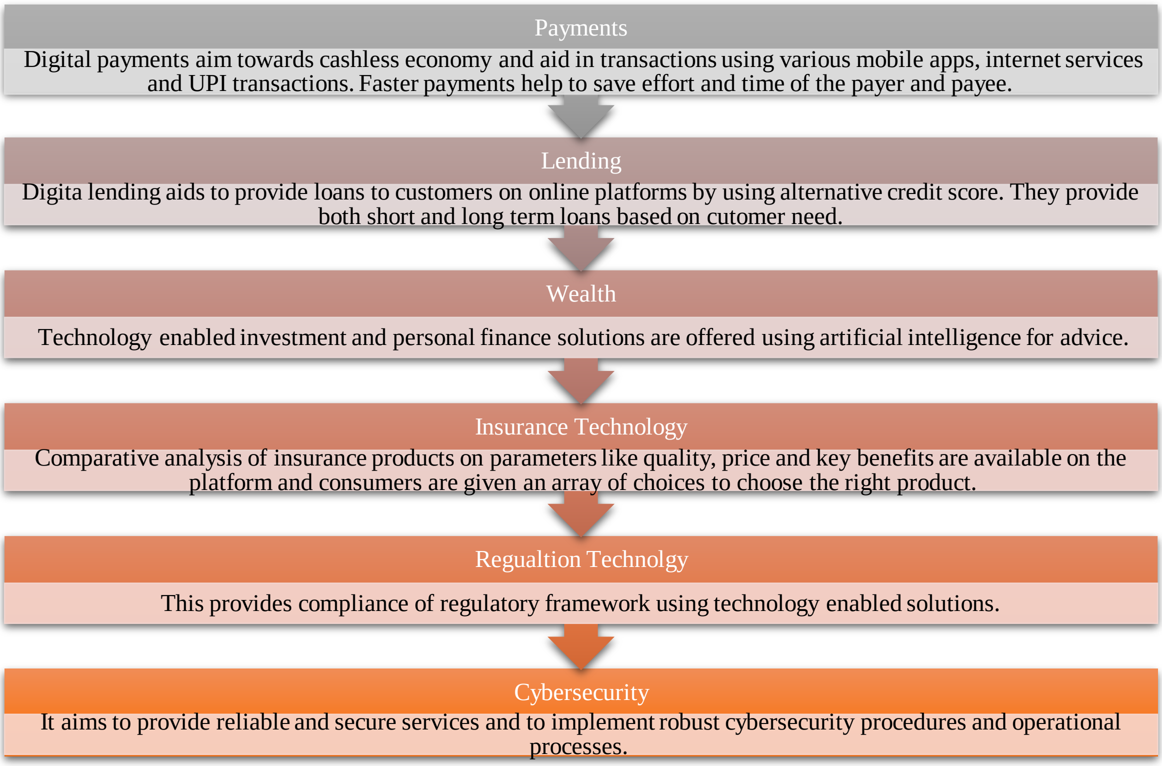
Digital payment and lending

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



Source: Crisil Research

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.



Source: Crisil Research

In the following sections, the dominant fintech segments i.e. payments and lending in India will be examined in detail:

Payments at the forefront

The digital payments space in India has witnessed remarkable innovations such as the emergence of alternative payment channels, setting up of payments hubs and tokenization for securing payments which has led to its exponential growth over the past few years with some prominent products as explained below:

New age products

Payments banks is a new model of banks conceptualised by the Reserve Bank of India. These banks can accept a restricted deposit, which is currently limited to Rs 100,000 per customer and may be increased further. However, these banks cannot issue loans and credit cards. Some of the lead payments banks are Airtel Payment bank, Fino Payment Bank, Paytm Payment Bank etc.

A digital wallet also known as 'e-Wallet' refers to an electronic device, online service, or software program that allows one party to make electronic transactions with another party bartering digital currency units for goods and services. Some of the established digital wallets are Paytm, Amazon Pay, Phone Pe etc

A payment gateway is a technology or third party used by all (small, medium and big) businesses that takes money from the customers and settles it in the bank account of the business owners. It works as the middleman between customers and merchants. Payment gateway and digital wallet can be same player. Players like Razorpay offer both payment gateway and wallet services.

India a hotspot for digital payments

Despite being a major cash-based economy, digital or electronic payments in India have been on the rise. With the ever evolving technologies, various e-payment options are being made available, offering convenience to transact anywhere and at any time, thus saving time. Some of the widely used payment modes includes UPI, NEFT, IMPS, cards etc. This wide range of payment services are being offered through bank accounts, bank branches, business correspondents, cards, mobile phones and related devices, and backed by robust and resilient payment infrastructures.

India's digital revolution has come on the back of payments, with digital payment transaction volumes clocking 43 billion in 2021. The drivers of this exponential growth have been the demonetisation of 2016 and UPI transactions which led to the widespread adoption of digital transactions. Furthermore, the rise of digital commerce, innovation in payments technology using AI, blockchain, the Internet of Things (IoT) and real-time payments, and the introduction of mobile point of sale (POS) devices have led to a reduction in the cost of acceptance infrastructure and thereby contributed to growth.

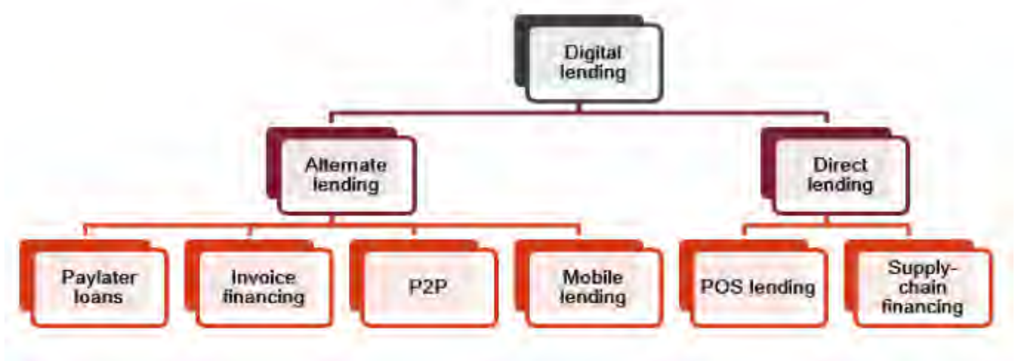
Some of the key product innovations in the digital payment space in India include:

- **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.

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:

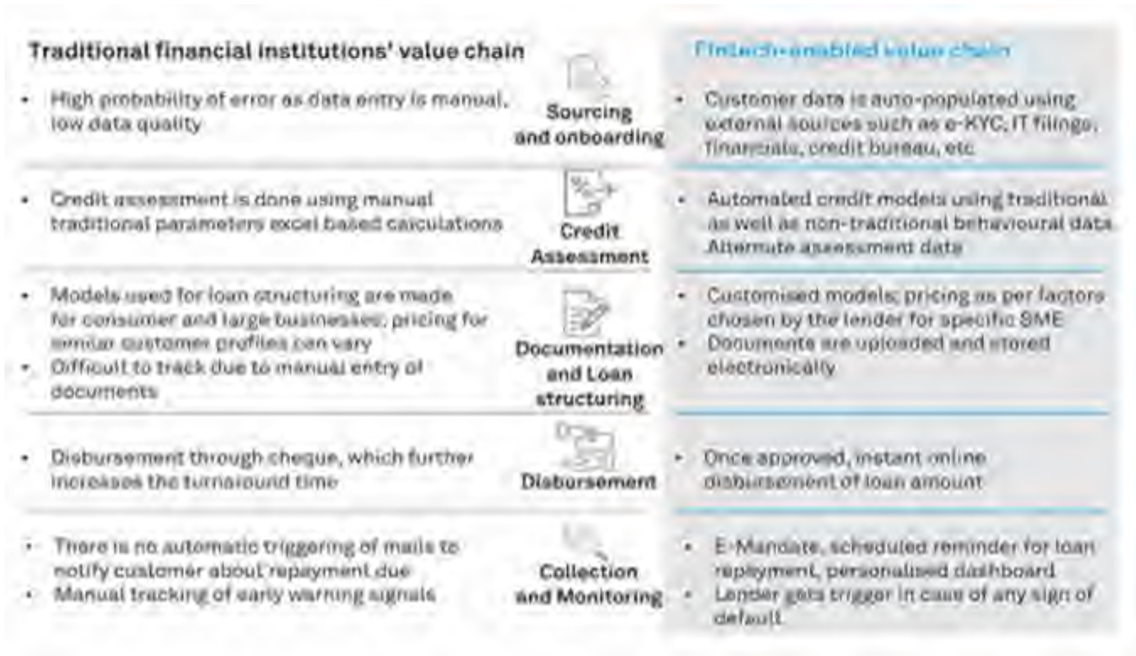


Source: Crisil Research

- **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



Additionally, the fintechs combine the mobile data points with the traditional ones evaluating the loan proposal

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 various digital lending models are discussed below:

Retail loans

Domain	Brief description/ Assessment criteria	Key players
Paylater loans:	• Paylater is a digital credit product similar to a credit card. These are ordinarily small ticket loans against purchase of products such as consumer durables. • Lenders decide on the borrower's credit limit based of data sources. Customers get an interest-free repayment period against an upfront processing fee	amazon [illegible] (Tie up for lending) CAPITAL FLOAT
Peer-to-peer (P2P)	• P2P lenders build a digital marketplace that connects borrowers, both individuals and organisations, with lenders. This allows borrowers to access low-cost loans quickly and at an affordable rate. • Credit Assessment is case specific and Interest rates are being mutually agreed upon by borrowers and lenders, and both pay fees to the platform	LendingClub
Mobile lending	• Mobile lenders provide small ticket size loans with the use of smartphone or tablets • These are assed basis the creditworthiness of borrowers using data such as mobile calling patterns, mobile transactions, mobile e-money usage, mobile e-money-linked savings history and credit history data.	PaySense MONEYTAP EarlySalary
PoS lending	• Point-of-sales (PoS) financing is when a merchant offers customers a financial solution at the point of purchase, in order to assist them in buying a product or service. Eg. credit c ard, consumer finance loans • Credit evaluation is based on the transaction history of cards swipes achieved hrough the POS device and other means.	Zest Razorpay

Wholesale

Invoice financing	• This is a short-term working capital facility extended by lenders to meet their short term liquidity needs • The limit is assessed based on MSME's track record and unpaid customer invoices	CRED RXIL C2FO
Supply-chain lending	• Marketplaces tie up with direct lending NBFCs to target merchants selling their goods and services online, by leveraging the huge amount of merchant data residing on these channels • The assessment is based on sales and financial data of the borrower	paisabazaar

While entities operating in this space have devised unconventional methods for credit assessment and operations, it would take a while before these methods are accepted and adopted as safe methods for credit underwriting and administration. In the meanwhile, they are bound to undergo continuous refinement and up gradation with change in technology and borrower behavior.

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

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 hard-line 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.

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 Unaudited Interim Financial Statements as at and for the nine months period ended December 31, 2021. For further information, see "Financial Statements" on page 202.

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.

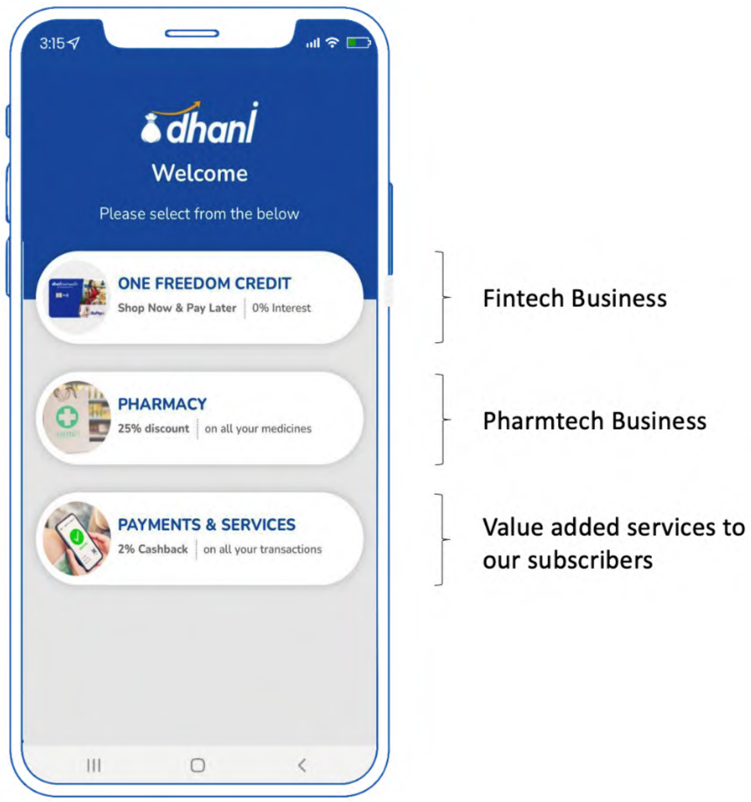
Overview

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.



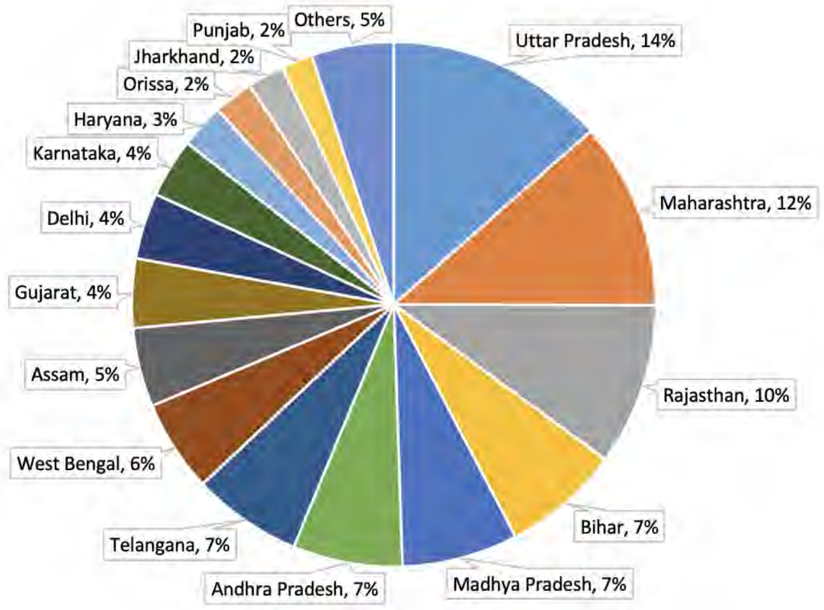
While Dhani Healthcare Limited, a subsidiary of Dhani Services Limited, undertakes the digital healthcare business for Dhani Services Limited, the digital transaction finance business is undertaken by us.

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

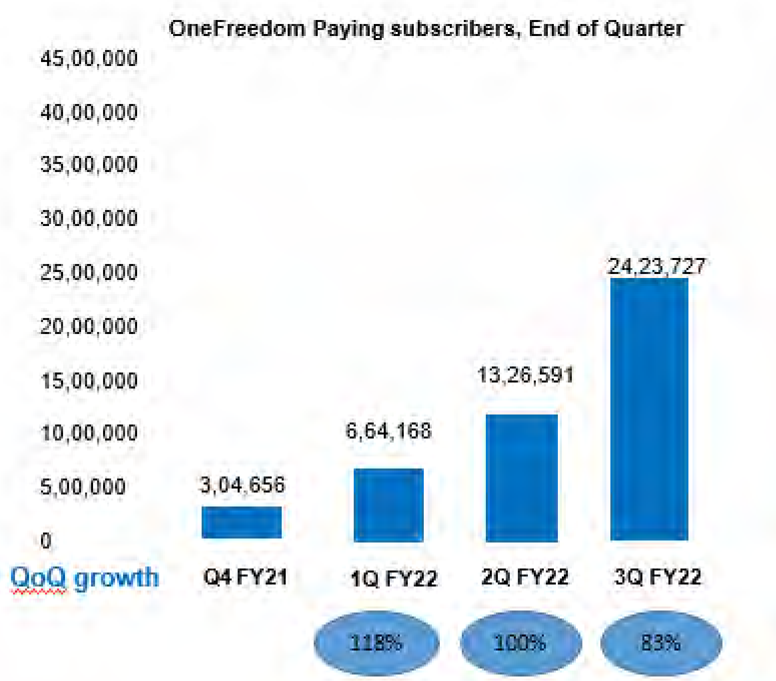
We believe that our Dhani OneFreedom Card is useful for customers as it is issued instantly upon application and serves as a convenient method to undertake everyday transactions, particularly for customers who may not have credit cards. We provide both digital and physical cards which are currently accepted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

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



As at December 31, 2021, we had approximately 2.42 million subscribers to the Dhani OneFreedom Card in over 700 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 December 31, 2021, our Company has disbursed loans to customers in over 700 cities in India through the Dhani App, enabling us to operate on a pan-India basis. Further, our Company has over 5,176 employees as at December 31, 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.

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 December 31, 2021 our loan book on a standalone basis amounted to ₹42,541.19 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 December 31, 2021 and March 31, 2021 amounted to ₹17,357.94 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 December 31, 2021, March 31, 2021, March 31, 2020 and March 31, 2019, our capital to risk (weighted) assets ratio was 67.41%, 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 ₹ 1,158.26 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 nine months period ending December 31, 2021, our total income was ₹7,772.88 million and our loss after tax for the period was ₹2,475.33 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/(loss) for the year attributable to the Shareholders of the Company	3,845.16	(414.77)	(1,115.91)
Profit/(loss) 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	-
Total Comprehensive Income/(loss) 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 flow from/(used in) operating activities (A)	(71,050.41)	55,242.16	12,144.18
Net Cash flow from / (used in) investing activities (B)	504.80	(2,737.47)	(8,051.36)
Net Cash flow from/(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

Parameters	(₹ in million unless otherwise stated) As at and for the year ended March 31,		
	2019	2020	2021
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 December 31, 2021 are as follows:

Parameters	(₹ in million unless otherwise stated) As at and for the nine months period ended December 31, 2021
Balance Sheet	
Property, plant and equipment and other intangible assets	1,434.99
Investments	1,810.27
Cash and cash equivalents	4,117.11
Financial assets (excluding Cash and cash equivalents and Investments) (1)	54,346.50
Non- financial assets (excluding Property, plant and equipment and other intangible assets) (2)	10,090.63
Total Assets	71,799.50
Debt Securities	3,609.77
Borrowings (other than Debt Securities)	15,322.73
Subordinated liabilities	-
Financial liabilities (excluding Debt Securities, Borrowings (other than Debt Securities) and Subordinated liabilities) (3)	7,130.31
Current tax liabilities (net)	4.50
Provisions	181.73
Deferred tax liabilities (net)	-
Other Non-Financial Liabilities	539.42
Instruments entirely equity in nature (HIDE)	80.08
Equity (equity share capital, other equity and non-controlling interests)	44,930.96
Total liabilities and equity	71,799.50
Statement of Profit and Loss	
Total revenue from operations	7,568.09
Other income	204.79
Total Expenses	11,033.14
Profit/(loss) for the Period	(2,475.33)
Other Comprehensive income / (loss) (Net of tax)	(50.62)
Total Comprehensive Income/(loss) (after tax)	(2,525.95)
Earnings per equity share	
Basic (₹)	(40.47)
Diluted (₹)	(40.47)
Cash Flow	
Net Cash flow from operations (A)	8,268.38
Net cash from investing activities (B)	12,661.47
Net cash used in financing activities (C)	(10,416.82)
Net Decrease in cash and cash equivalents (D=A+B+C)	(6,023.73)
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)	4,117.11
Additional information	
Networth(4)	43,564.32

Parameters	(₹ in million unless otherwise stated) As at and for the nine months period ended December 31, 2021
Assets Under Management	46,126.01
Off Balance Sheet Assets-Loans Assigned	18,401.43
Total Debts to Total assets(5)	26.37%
Interest Income (Including Treasury Income)#	3,267.58
Finance Costs	1,983.10
Interest Coverage Ratios	(0.64)
Impairment on financial instruments	3,280.96
Bad Debts to Loan Assets	1.79%
Gross NPA (%)**	4.58%
Net NPA (%)***	1.81%
CRAR - Tier I Capital (%)-Standalone##	67.41%
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/ (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:

Parameters	(₹ in million unless otherwise stated) As at and for the year ended March 31,		
	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/(loss) for the Year	4,001.94	542.54	(540.97)
Other Comprehensive Income/ (loss)	(2.90)	72.83	15.15
Total Comprehensive Income/ (loss) 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/ (used in) 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 flow from/ (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%

Parameters	(₹ in million unless otherwise stated) As at and for the year ended March 31,		
	FY 2019	FY 2020	FY 2021
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 December 31, 2021 are as follows:

Parameters	*(₹ in million unless otherwise stated)* **As at and for the nine months period ended December 31, 2021**
Balance Sheet	
Property, plant and equipment and other intangible assets	1,208.83
Investments	12,094.32
Cash and cash equivalents	3,103.39
Financial assets (excluding Cash and cash equivalents and Investments) (1)	44,842.74
Non- financial assets (excluding Property, plant and equipment and other intangible assets) (2)	7,238.99
Total Assets	68,488.27
Debt Securities	3,609.77
Borrowings (other than Debt Securities)	13,748.17
Subordinated liabilities	-
Financial liabilities (excluding Debt Securities, Borrowings (other than Debt Securities) and Subordinated liabilities) (3)	4,240.87
Current tax liabilities (net)	-
Provisions	160.81
Deferred tax liabilities (net)	-
Other Non-Financial Liabilities	518.73
Instruments entirely equity in nature	80.08
Equity (equity share capital and other equity)	46,129.85
Total liabilities and equity	68,488.27
Statement of Profit and Loss	
Total revenue from operations	5,837.39
Other income	217.37
Total Expenses	8,789.53
Profit/(loss) for the Period	(2,044.40)
Other Comprehensive Income / (loss) (Net of tax)	(47.54)
Total Comprehensive Income/(loss) (after tax)	(2,091.94)
Earnings per share	
Basic (Amount in Rs.)	(33.41)
Diluted (Amount in Rs.)	(33.41)
Cash Flow	
Net cash from / (used in) operating activities (A)	10,196.96
Net cash flow from investing activities (B)	11,812.13
Net cash used in financing activities (C)	(8,473.20)
Net Decrease in cash and cash equivalents (D=A+B+C)	(6,858.03)
Cash and cash equivalents at the beginning of the period (E)	9,961.41
Cash and cash equivalents at the end of the period (D + E)	3,103.39
Additional information	
Networth(4)	46,063.81

Parameters	*(₹ in million unless otherwise stated)* **As at and for the nine months period ended December 31, 2021**
Assets Under Management	42,541.19
Off Balance Sheet Assets-Loans Assigned	18,401.43
Total Debts to Total assets(5)	25.34%
Interest Income (Including Treasury Income)#	2,903.97
Finance Costs	1,789.68
Interest Coverage Ratios	(0.53)
Impairment on financial instruments	2,385.96
Bad Debts to Loan Assets	1.95%
Gross NPA (%)**	4.96%
Net NPA (%)***	1.97%
CRAR - Tier I Capital (%)-Standalone##	67.41%
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 7, 2014 and a fresh certificate of incorporation issued by the RoC on February 5, 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 2, 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**”):

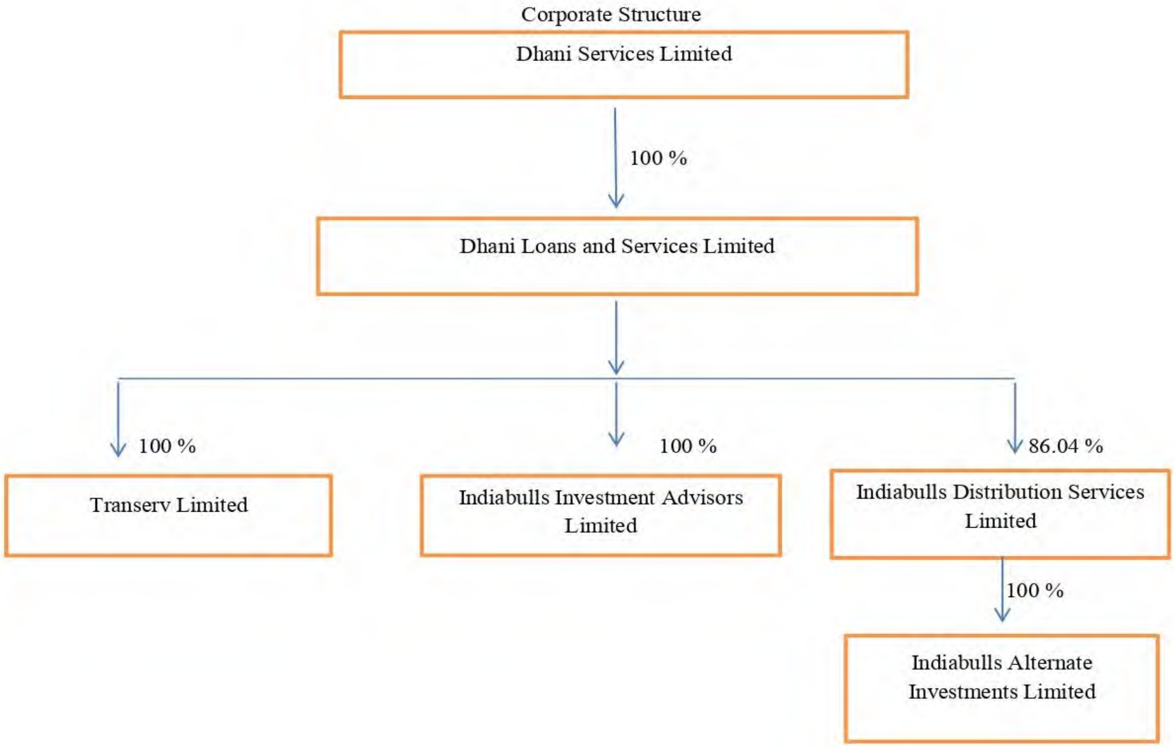
  IDSL is engaged in marketing of non-discretionary wealth management products.

- 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 App, 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 App 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 App platform. The Dhani App 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 App is installed have increased from 50.91 million as on December 31, 2019 to 104.12 million as on December 31, 2020 and 169.21 million as on December

31, 2021 at a CAGR of 49.23%. As at December 31, 2021, we have disbursed loans to customers in over 700 cities in India through our Dhani App, 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 App 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 to use those to make decentralized and largely objective decisions, and 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 December 31, 2021, our Gross Stage 3 assets accounted for 10.26% and 4.96%, respectively, of our total loans outstanding.

Additionally, our robust in-house loan monitoring and collections teams helps us in 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 December 31, 2021, our CAR, which was computed on the basis of the applicable RBI requirements, was 67.41%, 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 high CAR of 67.41% as at December 31, 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 high net worth and a comfortable capital to risk weighted assets ratio. As at December 31, 2021, we had cash and cash equivalent (including liquid investments) of ₹5,845.54 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 December 31, 2021	Fiscal 2021
Loans from banks and others	11,667.05	19,745.46
Cash Credit	750.00	50.00
Non-convertible debentures and other debt instruments	3,609.77	7,706.03
Commercial papers	-	-
Subordinated debt	-	-
Securitisation Liabilities	1,331.12	4,083.88
Total	**17,357.94**	**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 December 31, 2021 our Gross Stage 3 assets accounted for 10.26% and 4.96% 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.

We are exposed to changes in market interest rates through our debt securities and other borrowings at variable interest rates. We borrow funds on both fixed and floating rates. We are exposed to interest rate risks as a result of lending to customers predominantly at fixed interest rates, amounts and for periods which may differ from our funding sources. Volatility in interest rates can materially and adversely affect our financial performance and cash flows. In the event the interest rates rise, we may not be able to pass on increased costs of funds to customers, resulting in an adverse impact on our profit margins. However, even for floating rate loan agreements, if the yield on our interest-earning assets does not increase simultaneously with or to the same extent as our cost of funds, or, in a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets, our profit margin would be adversely impacted. Interest rates are highly sensitive, and fluctuations thereof are dependent upon many factors which are beyond our control, including the monetary policies of the RBI, de-regulation of the financial services sector in India, domestic and international economic and political conditions, inflation, and other factors. In addition, difficult conditions in the global and Indian economies can affect the availability of credit.

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 24.

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 December 31, 2021, March 31, 2021, March 31, 2020 and March 31, 2019:

(*₹ in million, except percentages*)

Particulars	**Standalone**			
	For the nine months period ended December 31, 2021	**For the Fiscal Year ended March 31,**		
		2021	**2020**	**2019**
Tier I Capital *(₹ in million)*	33,332.98	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)*	33,332.98	32,257.32	33,524.61	43,327.51
Total Risk Weighted Assets *(₹ in million)*	49,447.89	55,391.11	56,894.81	1,14,921.19
Capital Adequacy Ratio				
Tier I Capital (as a Percentage of Total Risk Weighted Assets (%))	67.41%	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 (%))	67.41%	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 seeks to ensure 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 seek to 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. The industry in which we operate is susceptible to several threats, including identity theft, We have deployed tools such as 'data loss prevention' and 'identity and access management' in an attempt to handle different threats and unauthorised access to our systems and networks.

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, 2002. However, the industry in which we operate is subject to identity theft issues, including, availing of loans by providing fraudulent credentials. We have also faced similar issues in the recent past and cannot assure that such incidents would not occur in the future. For further details, please see *"Risk Factors - 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."* on page 22 of this Prospectus.

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.

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 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 42.

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 222.

Human Resources

As at December 31, 2021, we had 5,176 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. 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 7, 2014 and a fresh certificate of incorporation issued by the RoC on February 5, 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 2, 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
2022	Award for "Best Use of Sports Channel" at E4M, Primetime Awards, 2021

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 1, 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 1, 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 1, 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, Elphinstone Road(W) Mumbai MH 400013 IN	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

S No.	Name of the Entity	Equity Holding (%)	Registered Address	Activity undertaken by the entity
				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 141.

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.

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 1, 2017.

Reserve Fund

In addition to the above, Section 45-IC of the RBI Act requires NBFCs to create a reserve fund and transfer therein a sum of not less than 20% of its net profits earned annually before declaration of dividend. Such a fund is to be created by every NBFC irrespective of whether it is a ND NBFC or not. Such sum cannot be appropriated by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation is required to be reported to the RBI within 21 days from the date of such appropriation.

Maintenance of liquid assets

The RBI through notification dated January 31, 1998, as amended has prescribed that every NBFC shall invest and continue to invest in unencumbered approved securities valued at a price not exceeding the current market price of such securities an amount which shall, at the close of business on any day be not less than 10% in approved securities and the remaining in unencumbered term deposits in any scheduled commercial bank; the aggregate of which shall not be less than 15% of the public deposit outstanding at the last working day of the second preceding quarter.

NBFCs such as the Company, which do not accept public deposits, are subject to lesser degree of regulation as compared to a NBFC-D and are governed by the RBI's Non- Deposit Accepting Companies Directions.

An NBFC-ND is required to inform the RBI of any change in the address, telephone no's, etc. of its registered office, names and addresses of its directors/auditors, names and designations of its principal officers, the specimen signatures of its authorised signatories, within one month from the occurrence of such an event. Further, an NBFC-ND would need to ensure that its registration with the RBI remains current.

All NBFCs (whether accepting public deposits or not) having an asset base of ₹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 1, 2017, and the final judgment of the Supreme Court in the case of Justice K.S. Puttaswamy (Retd.) & Another v. Union of India (Writ Petition (Civil) 494/2012). The Directions were updated to accommodate authentication as per the AADHAR (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 and use of an Indian resident's Aadhar number as a document for the purposes of fulfilling KYC requirement.

The RBI KYC Directions were further updated on January 9, 2020 with a view to leveraging the digital channels for customer identification process by regulated entities, whereby the RBI has decided to permit video-based customer identification process as a consent based alternate method of establishing the customer's identity, for customer onboarding.

<u>Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs</u>

On 22 October 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 1 October 2022 (except for certain compliance requirements relating to funding of initial public offerings (IPOs) which would be effective from 1 April 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 Rs 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.

Further, RBI *vide* notification no. RBI/2021-22/175 DoS.CO.PPG.SEC/10/11.01.005/2021-22 dated February 23, 2022, directed that 'NBFCs – Middle Layer' and 'NBFCs - Upper Layer' with 10 and more 'fixed point service delivery units' (as defined in the notification) as on October 1, 2022 shall be mandatorily required to implement the 'Core Financial Services Solution ("**CFSS**")', akin to the Core Banking Solution (CBS) adopted by banks. The CFSS shall provide for seamless customer interface in digital offerings and transactions relating to products and services with anywhere / anytime facility, enable integration of NBFCs' functions, provide centralized database and accounting records, and be able to generate suitable MIS, both for internal purposes and regulatory reporting.

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 1, 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 5, 2017, issued by the Department of Economic Affairs, Ministry of Finance, approval of foreign investment under the FDI policy has been entrusted to concerned ministries/departments. Subsequently, the Department of Industrial Policy & Promotion ("**DIPP**") issued the Standard Operating Procedure (SOP) for Processing FDI Proposals on June 29, 2017 (the "**SOP**"). The SOP provides a list of the competent authorities for granting approval for foreign investment for sectors/activities requiring Government approval. For sectors or activities that are currently under automatic route but which required Government approval earlier as per the extant policy during the relevant period, the concerned administrative ministry/department shall act as the competent authority (the "**Competent Authority**") for the grant of post facto approval of foreign investment. In circumstances where there is a doubt as to which department shall act as the Competent Authority, the DIPP shall identify the Competent Authority. The DIPP has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendment to FEMA. In case of any conflict FEMA prevails.

The Consolidated FDI Policy consolidates the policy framework in place as on August 27, 2017. Further, on January 4, 2018 the RBI released the Master Direction on Foreign Investment in India. Under the approval route, prior approval from the 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 3, 2015 titled "Anti-Money Laundering (AML)/ Combating of Financing of Terrorism (CFT) – Standards" states that all regulated entities (including NBFCs) are to comply with the updated FATF Public Statement and document 'Improving Global AML/CFT Compliance: on-going process' as on October 23, 2015.

The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002

The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (the "**SARFAESI Act**") regulates the securitization and reconstruction of financial assets of banks and financial institutions. The SARFAESI Act provides for measures in relation to enforcement of security interests and rights of the secured creditor in case of default.

The RBI has issued guidelines to banks and financial institutions on the process to be followed for sales of financial assets to asset reconstruction companies. These guidelines provide that a bank or a financial institution may sell financial assets to an asset reconstruction company provided the asset is a 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 1, 2014.

The Companies Act provides for, among other things, changes to the regulatory framework governing the issue of capital by companies, corporate governance, audit of financial statements, corporate social responsibility, requirements for independent directors, director's liability, class action suits, and the inclusion of women directors on the boards of companies. The Companies Act is complemented by a set of rules that set out the procedure for compliance with the substantive provisions of the Companies Act. As mentioned above, 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 9, 2021, notified the SEBI NCS Regulations, thereby merging the SEBI (Issue and Listing of Debt Securities) Regulations ("**SEBI Debt Regulations**") and the SEBI (Non-Convertible Redeemable Preference Shares) Regulations, 2013 ("**NCRPS Regulations**") into a single regulation. The proposal to merge the two regulations was first introduced by way of a consultation paper released on May 19, 2021, which sought to align the extant regulations with the provisions of the Companies Act 2013, and incorporate the enhanced obligations of debenture trustees, informal guidances and provisions of circulars issued by SEBI. The SEBI NCS Regulations came in to force from the seventh day of their notification in the gazette, i.e. from August 16, 2021. The SEBI Debt Regulations and the NCRPS Regulations stand repealed from this date.

The SEBI NCS Regulations have aligned the extant regulations with the provisions of the Companies Act 2013, and incorporate the enhanced obligations of debenture trustees, informal guidance and provisions of circulars issued by SEBI. The SEBI NCS Regulations apply to: (i) the issuance and listing of debt securities and non-convertible redeemable preference shares (NCRPS) by an issuer by way of public issuance; (ii) issuance and listing of non-convertible securities by an issuer issued on private placement basis which are proposed to be listed; and (iii) listing of commercial paper issued by an issuer in compliance with the guidelines framed by the RBI.

In addition to collating the existing provisions of the erstwhile regulations, the SEBI NCS Regulations, also provide for, change in disclosure requirements for financial and other information from past five years to three years; parameters for identification of risk factors; removal of restriction of four issuances in a year through a single shelf prospectus; and filing of shelf prospectus post curing of defaults.

SEBI Operational Circular for issue and listing of Non-Convertible Securities (NCS), 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 1, 2020 and August 31, 2020, subject to the fulfilment of certain conditions;

(b) permitting the recalculation of 'drawing power' of working capital facilities sanctioned in the form of cash/ credit overdraft facilities by reducing the margins till the extended period, being August 31, 2020, and permitting lending institutions to restore the margins to the original levels by March 31, 2021;

(c) permitting the increase in the bank's exposures to a group of connected counterparties from 25% to 30% of the eligible capital base of the bank, up to June 30, 2021;

(d) deferring the recovery of the interest applied in respect of all working capital facilities sanctioned in the form of cash/credit overdraft facilities during the period from March 1, 2020 to August 31, 2020;

(e) permitting lending institutions to convert the accumulated interest on working capital facilities up to the deferment period (up to August 31, 2020) into a funded interest term loan which shall be repayable not later than the end of the current financial year (being, March 31, 2021);

(f) permitting the lending institutions to exclude the moratorium period wherever granted in respect of term loans as stated in(a) above, from the number of days past-due for the purpose of asset classification under the income recognition and asset classification norms, in respect of accounts classified as standard as on February 29, 2020, even if overdue;

(g) permitting the lending institutions to exclude deferment period on recovery of the interest applied, wherever granted as stated in (d) above, for the determination of out of order status, in respect of working capital facilities sanctioned in the form of CC/OD where the account is classified as standard, including special mention accounts, as on February 29, 2020; and

(h) requiring lending institutions to make general provisions of not less than 10% of the total outstanding of accounts in default but standard as on February 29, 2020 and asset classification benefit is availed, to be phased over two quarters as provided:(i) not less than 5% for the quarter ended March 31, 2020; and (ii) not less than 5% for the quarter ended June 30, 2020, subject to certain adjustments.

Further, RBI has on August 6, 2020 notified the "Resolution framework for COVID-19 related stress" (the "**Resolution Framework**"). Pursuant to the Resolution Framework, RBI has on September 7, 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 7, 2020 such as the mandatory requirement of an Inter- Creditor Agreement ('ICA'), and the maintenance of an escrow account are required to be implemented at the borrower account level. Further, the RBI has mandated that an invocation of a resolution plan cannot be treated as a substitute for the signing of an ICA.

The Government of India on October 23, 2020 has announced the 'Scheme for grant of ex -gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (1.3.2020 to 31.8.2020)' (the 'Scheme'), which mandates ex-gratia payment to certain categories of borrowers by way of crediting the difference between simple interest and compound interest for the period between March 1, 2020 to August 31, 2020 by the respective lending institutions.

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 7, 2021 ("RBI Circular on Asset Classification")

RBI Circular on Asset Classification gives effect to the judgement of the Supreme Court of India in the matter of Small Scale Industrial Manufacturers Association v. Union of India and others dated March 23, 2021 and requires all lending institutions, 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 1, 2020 to August 31, 2020 in conformity with the judgement. To ensure that the judgement is implemented uniformly in letter and spirit by all lending institutions, methodology for calculation of the amount to be refunded/adjusted for different facilities shall be finalized by the Indian Banks Association in consultation with other industry participants/ bodies, which shall be adopted by all lending institutions. The reliefs shall be applicable to all borrowers, including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, in terms of the RBI circulars on COVID-19 Regulatory Package dated March 27, 2020 and May 23, 2020.Lending institutions shall disclose the aggregate amount to be refunded/ adjusted in respect of their borrowers based on the above reliefs in their financial statements for the year ending March 31, 2021.

Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses dated May 5, 2021 and June 4, 2021

The RBI has issued Resolution Framework – 2.0 dated May 5, 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 4, 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 six Directors on its Board.

The composition of the Board is in conformity with section 149 of the Companies Act, 2013 and is governed by the Articles of Association of our Company. 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 six Directors, we have one Whole-time Director and Chief Executive Officer, two Non-Executive Directors, one Executive Director 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. 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	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)*

Name, Address, DIN, Nationality, Occupation, Term and Date of Appointment/Re-Appointment	Age	Designation	Other Directorships (as on the date of this Prospectus)
Date of appointment: September 14, 2017			• 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. Ritu Kapoor Puri **Address:** Flat No G3, First Floor, PUSA Agricultural Scientists CGHS Ltd., Plot no. 2, Rohini, Sector – 15, North West, New Delhi, Delhi, India – 110 089. **DIN:** 09559548 **Nationality:** Indian **Occupation:** Professional **Term:** For a period of five years commencing from April 4, 2022. **Date of appointment:** April 4, 2022	48	Executive Director*	Nil
Brig. Labh Singh Sitara (Retd.) **Address:** H. No. 50, New Officers Colony, Patiala, Punjab – 147 001 **DIN:** 01724648 **Nationality:** Indian **Occupation:** Ex-army officer **Term:** For a period of five years, commencing from September 14, 2017 **Date of appointment:** September 14, 2017	82	Independent Director	• SORIL Infra Resources Limited
Dr. Narendra Damodar Jadhav **Address:** House No. 32, Dr. Rajendra Prasad Road, Near Andhra Bhawan, New Delhi, Delhi – 110001 **DIN:** 02435444	68	Independent Director	• Sustainable Agro-Commercial Finance Limited • Tata Teleservices Limited • Tata Teleservices (Maharashtra) Limited

Name, Address, DIN, Nationality, Occupation, Term and Date of Appointment/Re-Appointment	Age	Designation	Other Directorships (as on the date of this Prospectus)
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			• Jain Irrigation Systems Limited • Dhani Services Limited *(formerly Indiabulls Ventures Limited)*

Pursuant to a resolution passed by the Board dated April 4, 2022, Ms. Ritu Kapoor Puri has been appointed as an Additional Director with effect from April 4, 2022. Subject to the approval from the shareholders of the Company, the Board has approved the appointment of Ms. Ritu Kapoor Puri as an Executive Director and a Key Managerial Personnel for a period 5 years with effect from April 4, 2022.

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. 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. Ritu Kapoor Puri, aged 48 years, is an Executive Director on our Board. She holds a Masters' degree in International Business Management from Lucknow University. She is working as Head of Contact Centre and Operations at our Company. Prior to joining the Company, she was working as Head of Retail Operations at Indiabulls Housing Finance Ltd for 5 yrs. She also has worked with GE Money and ICICI Bank in their Sales, Service, Operations, Risk & Compliance departments.

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 nine-months period ended December 31, 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*)			
	Nine-months period ended December 31, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Mr. Pinank Jayant Shah*	34.82	(5.11)	70.21	103.56

**Negative numbers of total remuneration are due to reversal of share-based payment expenses.*

b. The following table sets forth the compensation paid by our Company to our current Non-Executive Directors for the nine-months period ended December 31, 2021 and the Fiscal Years, 2021, 2020 and 2019:

(₹ in million)

Non-Executive Director	Total remuneration (including salary and other benefits*)			
	Nine-month period ended December 31, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Mr. Gagan Banga*	NIL	Nil	Nil	Nil
Mr. Ajit Kumar Mittal	11.87	0.17	0.34	0.59

Non-Executive Director	Total remuneration (including salary and other benefits*)			
	Nine-month period ended December 31, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Mr. Nafees Ahmed**	(4.74)	(2.55)	6.48	11.09
Ms. Preetinder Virk***	NIL	0.22	0.22	0.11

** With effect from March 14, 2022, Mr. Gagan Banga has resigned as the Non-Executive Director of the Company.*
***Negative numbers of total remuneration are due to reversal of share-based payment expenses.*
**** With effect from April 4, 2022, Ms. Preetinder Virk has resigned as the Non-Executive Director of the Company.*

c. The following table sets forth the sitting fees paid by our Company to our existing Independent Directors for the nine-months period ended December 31, 2021 and the Fiscal Years, 2021, 2020 and 2019:

(₹ in million)

Name of Director	Total sitting fees			
	Nine-months period ended December 31, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Brig. Labh Singh Sitara (Retd.)	0.44	0.76	0.44	0.76
Dr. Narendra Damodar Jadhav*	0.44	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 ₹0.84 million for the nine months period ended December 31, 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 Directors 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 confirms 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. Manjari Ashok Kacker, Non-Executive Director	06945359	December 4, 2018	Resignation	April 3, 2018
2.	Mr. Gagan Banga, Non-Executive Director	00010894	March 14, 2022	Resignation	March 22, 2018

S. No.	Name, Designation	DIN	Date of appointment/ resignation	Reasons	Date of appointment in case of resignation
3.	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
4.	Dr. Narendra Damodar Jadhav, Additional Director	02435444	November 17, 2020	Appointment	-
5.	Ms. Preetinder Virk	02398827	April 4, 2022	Resignation	December 4, 2018
6.	Ms. Ritu Kapoor Puri	09559548	April 4, 2022	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. Ritu Kapoor Puri	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. Ritu Kapoor Puri	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 April 4, 2022 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
4.	Ms. Ritu Kapoor Puri	Executive Director

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 202.

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 9, 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 5, 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 6, 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 "*Financial Statements*" on page 202.

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 222, 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 222.

The permanent account number and bank account number(s) of our Promoter have been submitted to the Stock Exchanges at the time of filing the Draft 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 "*Financial Statements*" on page 202, 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 March 31, 2022:

a) *Details of Equity Shares held by DSL*

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 December 31, 2021:

Summary Statement holding of specified securities as on December 31, 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	183,308,166	NIL	NIL	183,308,166	30.05	183,308,166	NIL	183,308,166.00	30.25	NIL	29.17	30,933,258	16.88	183,308,166
(B) Public	111,269	397,988,900	8,948,806	NIL	406,937,706	66.72	397,988,900	4,921,843.30	402,910,743.30	66.50	18,570,600	67.70	4,200,000	1.03	406,928,976
(C) Non-Promoter-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00	NIL

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	
Non-Public **(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	3.25	NIL	3.13	0.00	0.00	19,700,000
Total:	111,277	600,997,066	8,948,806	2,038	609,947,910	100.00	600,999,104	4,921,843.30	605,920,947.30	100.00	18,570,600	100.00	35,133,258	5.76	609,939,180

**During the quarter under review, the Company has received the third and final call money on 73,884,212 partly paid-up Equity Shares (PPES) which have been converted into equivalent number of fully paid-up Equity Shares on December 9, 2021. Out of these 73,884,212 fully paid up Equity Shares, 73,331,759 Equity Shares have been listed for trading in pre-existing ISIN of fully paid up shares but 552,453 Equity Shares could not be listed for trading due to encumbrance on these shares, for which relevant shareholders have been intimated for needful action on their end. However, in the shareholding pattern, all 73,884,212 shares have been included in fully paid up Equity Shares.*

Statement showing shareholding pattern of the Promoter and Promoter Group as on December 31, 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	Nos. of shares underlying Depository Receipts	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 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	
(A1) Indian				0										
Individuals/Hindu undivided Family	1	34,252,493	0	0	34,252,493	5.62	34,252,493	0	34,252,493	5.65	5.45	0	0	34,252,493
SAMEER GEHLAUT (Promoter)		34,252,493	0	0	34,252,493	5.62	34,252,493	0	34,252,493	5.65	5.45	0	0	34,252,493
Central Government/	NIL	NIL	NIL	0	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0	0	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	Nos. of shares underlying Depository Receipts	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 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	
State Government(s)														
Financial Institutions/banks	NIL	NIL	NIL	0	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0	0	NIL
Any Other	5	149,055,673	0	0	149,055,673	24.44	149,055,673	0	149,055,673	24.60	24.44	30,933,258	16.88	149,055,673
ORTHIA PROPERTIES PRIVATE LIMITED (Promoter)		47,248,080	0		47,248,080	7.75	47,248,080		47,248,080	7.80	7.52	0	0	47,248,080
ORTHIA CONSTRUCTIONS PRIVATE		37,074,335	0		37,074,335	6.08	37,074,335		37,074,335	6.12	5.90	0	0	37,074,335

Category & Name of the Shareholder	No. of Shareholders	No. of fully paid up equity shares held	No. of Partly paid-up Equity Shares held	Nos. of shares underlying Depository Receipts	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 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	
LIMITED (Promoter)														
ZELKOVA BUILDERS PRIVATE LIMITED (Promoter)		30,933,258	0		30,933,258	5.07	30,933,258		30,933,258	5.11	4.92	30,933,258	16.88	30,933,258
INUUS PROPERTIES PRIVATE LIMTIED (Promoter)		17,000,000	0		17,000,000	2.79	17,000,000		17,000,000	2.81	2.70	0	0	17,000,000
INUUS DEVELOPERS PRIVATE LIMITED (Promoter)		16,800,000	0		16,800,000	2.75	16,800,000		16,800,000	2.77	2.67	0	0	16,800,000

Category & Name of the Shareholder	No. of Shareholders	No. of fully paid up equity shares held	No. of Partly paid-up Equity Shares held	Nos. of shares underlying Depository Receipts	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 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	
Sub-Total (A1)	6	183,308,166	0		183,308,166	30.05	183,308,166	0	183,308,166	30.25	0.88	30,933,258	16.88	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	183,308,166	0		183,308,166	30.05	183,308,166	0	183,308,166	30.25	29.16	30,933,258	16.88	183,308,166

Statement showing shareholding pattern of the public shareholder as on December 31, 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	No. of Shares Underlying Depository Receipts	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)	Total Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	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 (b)	
(B1) Institutions															
Mutual Funds	5	221,868	0	0	221,868	0.04	221,868		221,868	0.04	0	0.04	0	0.00	221,868
Venture Capital Funds	0	0	0	0		0	0	0.00	0		0	0.00	0	0.00	0
Alternate Investment Funds	0	0	0	0	0	0.00	0		0	0.00	0	0.00	0	0.00	0
Foreign Venture Capital Investors	0	0	0	0	0	0.00	0		0	0.00	0	0.00	0	0.00	0
Foreign Portfolio Investors	108	165,640,977	0	0	165,640,977	27.16	165,640,977		165,640,977	27.34	0	26.35	0	0.00	165,640,977
JASMINE CAPITAL INVESTMENTS PTE LTD		32,658,032	0	0	32,658,032	5.35	32,658,032		32,658,032	5.39	0	5.20	0	0.00	32,658,032

Category & Name of the 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 % 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)	Total Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	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 (b)	
STEADVIEW CAPITAL MAURITUS LIMITED		26,554,571	0	0	26,554,571	4.35	26,554,571		26,554,571	4.38	0	4.22	0	0.00	26,554,571
BAILLIE GIFFOR PACIFIC FUND A SUB FUND OF BAILLIE GIFFORD O		12,627,114	0	0	12,627,114	2.07	12,627,114		12,627,114	2.08	0	2.01	0	0.00	12,627,114
RIBBIT CAYMAN IN HOLDINGS VI LTD		10,500,000	0	0	10,500,000	1.72	10,500,000		10,500,000	1.73	0	1.67	0	0.00	10,500,000
BNP PARIBAS ARBITRAGE-ODI		8,624,803	0	0	8,624,803	1.41	8,624,803		8,624,803	1.42	0	1.37	0	0.00	8,624,803
MAYBANK KIM ENG SECURITIES PTE LTD		7,490,000	0	0	7,490,000	1.23	7,490,000		7,490,000	1.24	0	1.19	0	0.00	7,490,000

Category & Name of the 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 % 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)	Total Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	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 (b)	
NWI EMERGING MARKET FIXED INCOME MASTER FUND,LTD.		8,400,000	0	0	8,400,000	1.38	8,400,000		8,400,000	1.39	0	1.34	0	0.00	8,400,000
Financial Institutions/Banks	2	4,200,500	0	0	4,200,500	0.69	4,200,500		4,200,500	0.69	0	0.67	0	0.00	42,00,500
Insurance Companies	0	0	0	0	0	0.00	0		0	0.00	0	0.00	0	0.00	0
Provident Funds/Pension Funds	0	0	0	0	0	0.00	0		0	0.00	0	0.00	0	0.00	0
Any Other	1	4,200,000	0	0	4,200,000	0.69	4,200,000		4,200,000	0.69	0	0.67	4200000	1.03	4,200,000
Foreign Corporate Bodies	NIL	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	No. of Shares Underlying Depository Receipts	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)	Total Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	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 (b)	
Qualified Institutional Buyer	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL			NIL
Sub Total (B1)	116	174,263,345	0	0	174,263,345	28.57	174,263,345	0	174,263,345	28.76	0	27.73	4200000	1.03	174,263,345
(B2) Central Government/State Government(s)/ President of India	NIL	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			NIL
(B3) Non-Institutions															
Individual shareholders holding nominal share capital up to ₹2 lakhs	109,272	52,643,638	2,137,565	0	54,781,203	8.98	52,643,638	1,175,661	53,819,299	8.88	10,041,800	10.31	0	0.00	54,772,473

Category & Name of the 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 % 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)	Total Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	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 (b)	
Individual shareholders holding nominal share capital in excess of ₹2 Lakhs	75	45,630,648	2,912,306	0	48,542,954	7.96	45,630,648	1,601,768	47,232,416	7.80	8,528,800	9.08	0	0.00	48,542,954
DIVYESH BHARAT SHAH		8,855,216	1,981,687	0	10,836,903	1.78	8,855,216	1,089,928	9,945,144	1.64	440,000	1.79	0	0.00	10,836,903
NBFCs Registered with RBI	3	27,198	2343	0	29,541	0.00	27,198	1,289	28,487	0.00	0	0.00	0	0.00	29,541
Any Other	0	0	0	0	0	0.00	0		0	0.00	0	0.00	0	0.00	0
Non-Resident Indians	859	1,719,888	12,126	0	1,732,014	0.28	1,719,888	6,669	1,726,557	0.28	0	0.28	0	0.00	1,732,014
Resident Indian HUF	0	0	0	0	0	0.00	0		0	0.00	0	0.00	0	0.00	0

Category & Name of the 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 % 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)	Total Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	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 (b)	
Trusts	1	700	0	0	700	0.00	700		700	0.00	0	0.00	0	0.00	700
Clearing Members	147	741,532	0	0	741,532	0.12	741,532		741,532	0.12	0	0.12	0	0.00	741,532
IEPF	1	187,339	0	0	187,339	0.03	187,339		187,339	0.03	0	0.03	0	0.00	187,339
Bodies Corporates	792	60,643,188	3,884,466	0	64,527,654	10.58	60,643,188	2,136,456	62,779,644	10.36	0	10.27	0	0.00	64,527,654
TUPELO CONSULTANCY LLP		11,488,176	0	0	11,488,176	1.88	11,488,176		11,488,176	1.90	0	1.83	0	0.00	11,488,176
BRIKISHOR TRADING PRIVATE LIMTIED		8,300,000	0	0	8,300,000	1.36	8,300,000		8300,000	1.37	0	1.32	0	0.00	8,300,000
Foreign Companies	3	62,131,424	0	0	62,131,424	10.19	62,131,424		62,131,424	10.25	0	9.89	0	0.00	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	No. of Shares Underlying Depository Receipts	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)	Total Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	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 (b)	
TAMARIND CAPITAL PTE LTD		61,051,541	0	0	61,051,541	10.01	61,051,541		61,051,541	10.08	0	9.71	0	0.00	6,105,1541
Escrow Account	0	0	0	0	0	0.00	0		0	0.00	0	0.00	0	0.00	0
Firms	0	0	0	0	0	0.00	0		0	0.00	0	0.00	0	0.00	0
Sub Total (B3)	111,153	223,725,555	8,948,806	0	232,674,361	38.15	223,725,555	4,921,843	228,647,398	37.74	18,570,600	39.97	0	0.00	232,665,631
Total Public Shareholding (B) = (B1)+(B2)+(B3)	111,269	397,988,900	8,948,806	0	406,937,706	66.72	397,988,900	4,921,843	402,910,743	66.50	18,570,600	67.70	4,200,000	1.0321	406928976

**During the quarter under review, the Company has received the third and final call money on 73,884,212 partly paid-up Equity Shares (PPES) which have been converted into equivalent number of fully paid-up Equity Shares on December 9, 2021. Out of these 73,884,212 fully paid up Equity Shares, 73,331,759 Equity Shares have been listed for trading in pre-existing ISIN of fully paid up shares but 552,453 Equity Shares could not be listed for trading due to encumbrance on these shares, for which relevant shareholders have been intimated for needful action on their end. However, in the shareholding pattern, all 73,884,212 shares have been included in fully paid up Equity Shares.*

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %) as on December 31, 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	32,658,032	5.35
3	STEADVIEW CAPITAL MAURITIUS LIMITED	ABG CAPITAL	26,554,571	4.35
4	ABG CAPITAL	STEADVIEW CAPITAL MAURITIUS LIMITED	257,726	0.04
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 December 31, 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 Shares Underlying Outstanding convertible securities (Including Warrants)**	**Total Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)**	**Number of Locked in Shares**		**Number of Shares pledged or otherwise encumbered**		**Number of equity shares held in dematerialized form**
									No of Voting Rights			**Total as a % of total voting rights**			**No.**	**As a % of total Shares held**	**No.**	**As a % of total Shares held**	
									Fully paid-up equity shares	**Partly paid-up equity shares**	**Total**								
	(I)	**(II)**	**(III)**	**(IV)**	**(V)**	**(VI)**	**(VII)**	**(VIII)**	**(IX)**				**(X)**	**(XI)**	**(XII)**		**(XIII)**		**(XIV)**

(1)	**Custodian/DR Holder**		1	0	0	2,038	2,038	0.0003	2,038	0	2,038	0.00	0	NA	0	0.00	0	0.00	2,038
	DEUTSCHE BANK TRUST COMPANY AMERICAS	AACCD 4898E		0	0	2,038	2,038	0.0003	2,038		2,038	0.00	0	0.00	0	0.00	0	0.00	2,038
(2)	**Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations 2014)**		**1**	**19,700,000**	**0**	**0**	**19,700,000**	**3.23**	**19,700,000**	**0**	**19,700,000**	**3.25**	**0**	**3.13**	**0**	**0.00**	**0**	**0.00**	**19,700,000**
	Udaan Employee Welfare Trust ("**Udaan -EWT**" (Formerly Indiabulls Ventures Limited Employees Welfare Trust)	AABTI7 821G		19,700,000	0		19,700,000	3.23	19,700,000		19,700,000	3.25	0	3.13	0	0.00	0	0.00	19,700,000
	Total Non-Promoter-Non Public Shareholding = (1)+(2)		2	19,700,000	0	2,038	19,702,038	3.23	19,702,038	0	19,702,038	3.25	0	3.13	0	0.00	0	0.00	19,702,038

Statement showing details of Significant Beneficial Owners (SBOs) as on December 31, 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	7.80	7.80	No	No	11.11.2011
Sameer Gehlaut	AFMPG9469E	Indian	Orthia Constructions Private Limited	AABCO2307A	Indian company	6.08	6.12	6.12	No	No	07.04.2015
Sameer Gehlaut	AFMPG9469E	Indian	Zelkova Builders Private Limited	AAACZ5953G	Indian company	5.07	5.11	5.11	No	No	09.04.2013
Sameer Gehlaut	AFMPG9469E	Indian	Inuus Properties Private Limited	AACCI1953M	Indian company	2.79	2.81	2.81	No	No	11.06.2018
Sameer Gehlaut	AFMPG9469E	Indian	Inuus Developers Private Limited	AACCI1928E	Indian company	2.75	2.77	2.77	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. Praveen Kumar Tripathi, Independent Director
5. Dr. Narendra Damodar Jadhav, Independent Director
6. Mr. Anish Ernest Williams, Executive Director
7. Mrs. Fantry Mein Jaswal, Independent Director
8. Mr. Vijay Chugh, Independent Director
9. Mr. Rakesh Mohan Garg, Independent Director
10. Prof. Mohanbir Singh Sawhney, Independent Director
11. Mr. Sandeep Narhar Kadam, Non-Executive Director

SECTION V-FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Independent Auditors' Examination Report on the Reformatted Consolidated Financial Information of Dhani Loans and Services Limited (Formerly Indiabulls Consumer Finance Limited)

To
Board of Directors
Dhani Loans and Services Limited
(Formerly Indiabulls Consumer Finance Limited)
M-62 & 63, First Floor,
Connaught Place,
New Delhi – 110 001, India

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 Rs. 1,000 each (the "NCDs"), aggregating up to Rs. 1,000 million ("Base Issue") with an option to retain oversubscription up to Rs. 1,000 million, aggregating up to Rs. 2,000 million ("Issue Size") ("Issue").

Dear Sirs/Madams,

1. We have examined the attached Reformatted Consolidated Financial Information of Dhani Loans and Services Limited (Formerly Indiabulls Consumer Finance Limited) (the "**Company**" or "**Holding Company**"), its subsidiaries (the Company and its subsidiaries are together referred to as "the **Group**"), as at and for each of the years ended on March 31, 2021, 2020 and 2019, comprising the Reformatted Consolidated Statement of Assets and Liabilities as at March 31, 2021, March 31, 2020 and March 31, 2019, the Reformatted Consolidated Statement of Profit and Loss (including other comprehensive income), the Reformatted Consolidated Statement of Changes in Equity, the Reformatted Consolidated Statement of Cash Flows for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 and a summary of significant accounting policies and other explanatory information (collectively, the **"Reformatted Consolidated Financial Information")** annexed to this report and prepared by the Company for the purpose of inclusion in the Draft Prospectus, (the "**Draft Prospectus**") and/or the Prospectus (**"the Prospectus"**) to be filed by the Company with the Securities and Exchange Board of India ("**SEBI**"), BSE Limited, National Stock Exchange of India Limited (collectively referred to as "**the Stock Exchanges**") and Registrar of Companies, National Capital Territory of Delhi and Haryana (the "**ROC**"),in connection with its proposed Issue. The Reformatted Consolidated Financial Information have been prepared by the management of the Company on the basis of Note 3 of Annexure V to the Reformatted Consolidated Financial Information, which have been approved by the Bond Issue Committee of the Board of Directors of the Company at their meeting held on March 25, 2022, and have been prepared by the Company by taking into consideration, the requirements of:

   a) Section 26 of Chapter III of the Companies Act, 2013, as amended (the "**Act**");

   b) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (the "**Regulations**"), issued by SEBI, in pursuance of the Securities and Exchange Board of India Act, 1992 (the "**SEBI Act**"); and

c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("**ICAI**"), as amended from time to time (the "**Guidance Note**").

2. The accompanying Reformatted Consolidated Financial Information are prepared on the basis of the audited consolidated financial statements (the "**Audited Consolidated Financial Statements**") of the Company for the respective years audited by M/s Walker Chandiok and Co. LLP ("**the Erstwhile Auditors**") as referred to in paragraph 3 below.

3. The Erstwhile Auditors have expressed and unmodified opinion on the Audited Consolidated Financial Statements of the Company as of and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 vide their reports dated June 18, 2021, June 25, 2020 and April 25, 2019.

4. The figures included in the Reformatted Consolidated Financial Information, do not reflect the effect of events that occurred subsequent to the date of the reports on the respective years referred to in paragraph 3 above.

5. The audit report issued by the Erstwhile Auditors on the Audited Consolidated Financial Statements for the year ended March 31, 2021, includes the following emphasis of matter paragraph and Other Matters paragraph:

   Emphasis of matter

   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. Our opinion is not modified in respect of this matter.

   Other Matters:

   We did not audit the financial statements/ financial information of 4 subsidiaries, whose financial statements/ financial information reflects total assets of , 133,191.23 lakh and net assets of Rs. 78,564.33 lakh as at 31 March 2021, total revenues of Rs. 17,907.29 lakh and net cash outflows amounting to Rs. 610.51 lakh for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the other auditors.

   Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

6. The audit report issued by the Erstwhile Auditors on the Audited Consolidated Financial Statements for the year ended March 31, 2020, includes the following emphasis of matter paragraph and Other Matters paragraph:

Emphasis of matter:

We draw attention to Note 58 to the accompanying consolidated financial statements, which describes the uncertainty relating to the effects of COVID-19 pandemic outbreak on the Group'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. Our opinion is not modified in respect of this matter.

Other Matters:

We did not audit the financial statements of 4 subsidiaries, whose financial statements reflects total assets of Rs. 14,940.88 millions and net assets of Rs. 8,136.63 millions as at 31 March 2020, total revenues of Rs. 2,171.74 millions and net cash inflows amounting to Rs. 51.42 millions for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries are based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on, the work done by and the reports of the other auditors and on the financial statements certified by the management.

7. The audit report issued by the Erstwhile Auditors on the Audited Consolidated Financial Statements for the year ended March 31, 2019, includes the following Other Matters paragraph:

Other Matters:

The consolidated financial statements also include the Holding Company's share of net loss (including other comprehensive income) of Rs. 0.28 millions for the year ended 31 March 2019, as considered in the consolidated financial statements, in respect of one associate, whose financial statements has not been audited by us. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, and matters identified and disclosed under key audit matters section above and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid associate, are based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Holding Company.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial statements certified by the management.

The comparative financial information for the transition date opening balance sheet as at 1 April 2017 prepared in accordance with Ind AS included in these consolidated financial statements is based on the previously issued statutory financial statements for the year ended 31 March 2017 prepared in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The financial statements for the year ended 31 March 2017 were audited by the Erstwhile auditor whose audit report dated 25 April 2017 expressed an unmodified opinion on those previously issued statutory financial statements. The balance sheet as at 31 March 2017 has been adjusted for the differences in the accounting principles adopted by the Holding Company on transition to Ind AS. We have audited these adjustments made by the management.

Further, the Company had prepared a separate set of statutory financial statements for the year ended 31 March 2018 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued our audit report dated 23 April 2018. These previously issued statutory financial statements as of and for the year ended 31 March 2018 have been adjusted for the differences in the accounting principles adopted by the Holding Company on transition to Ind AS. We have audited these adjustments made by the management.

Our opinion is not modified in respect of the matters stated at paragraph 14 and 15 above.

The above Paragraphs 5 to 7 are as extracted from the Erstwhile Auditors reports on the Consolidated Financial Statements of the respective years ended March 31, 2021, 2020 and 2019.

8. For the purpose of our examination, we have relied on Auditors' reports dated June 18, 2021, June 25, 2020 and April 25, 2019 issued by the Erstwhile Auditors on the Audited Consolidated Financial Statements of the Group as at and for the years ended March 31, 2021, 2020 and 2019 as referred in paragraph 2 above.

Management's Responsibility for the Reformatted Consolidated Financial Information

9. Management is responsible for the preparation of the Reformatted Consolidated Financial Information, as mentioned in paragraph 1 above, for inclusion in the Draft Prospectus and/or the Prospectus to be filed by the Company in connection with the Issue, on the basis of accounting described in Note 3 of Annexure V to the Reformatted Consolidated Financial Information. Management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Reformatted Consolidated Financial Information that are free from material misstatement, whether due to fraud and error. The Management and the Board of Directors are also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities, including compliance with the provisions of the laws and regulations that determine the reported amounts and disclosures in the Reformatted Consolidated Financial Information.

Auditors' Responsibilities

10. We have examined the Reformatted Consolidated Financial Information taking into consideration:

a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated March 17, 2022 in connection with the proposed Issue;

b. the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (the "Guidance Note"). The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Reformatted Consolidated Financial Information; and

d. the requirements of Section 26 of the Act, the Regulations and the Guidance Note.

11. The Company proposes to make an offer which comprises an issue of Secured Redeemable Non-Convertible Debentures of face value of Rs.1,000 each by the Company, as may be decided by the Board of Directors of the Company.

12. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by the ICAI.

Reformatted Consolidated Financial Information

13. The Audited Consolidated Financial Statements of the Group as at and for the years ended March 31, 2021, 2020 and 2019 have been audited by the Erstwhile Auditors of the Company. For the purpose of our examination, we have relied solely on the auditor's reports for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 dated June 18, 2021, June 25, 2020 and April 25, 2019 respectively issued by the Erstwhile Auditors of the Company. We have not carried out any audit tests or review procedures, and accordingly reliance has been placed on the Audited Consolidated Financial Statements audited by the Erstwhile Auditors for the said years. These Audited Consolidated Financial Statements as at and for the years ended March 31, 2021, 2020 and 2019 form the basis of the Reformatted Consolidated Financial Information.

14. The Reformatted Consolidated Financial Information has been compiled by the management from Audited Consolidated Financial Statements of the Group as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 which were prepared in accordance with the Indian Accounting Standards as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India (referred to as "Ind AS"), which have been approved by the Board of Directors at their meetings held on June 18, 2021, June 25, 2020 and April 25, 2019 respectively.

Our opinion below on the Reformatted Consolidated Financial Information is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the Erstwhile Auditors.

Opinion

15. Taking into consideration the requirements of Section 26 of Part I of Chapter III of the Act, the Regulations and the terms of our engagement agreed with you, and based on the reliance placed on the reports of the Erstwhile Auditors, we further report that:

    (a) Reformatted Consolidated Financial Information of the Group as at and for each of the years ended March 31, 2021, 2020 and 2019 have been examined by us, as set out in Annexure I to Annexure IV to this report. These Reformatted Consolidated Financial Information have been prepared after regroupings, as considered appropriate and which is more fully described in significant accounting policies and notes (Refer Annexure V).

    (b) based on our examination as above:

    (i) the Reformatted Consolidated Financial Information have to be read in conjunction with the notes given in Annexure V; and

    (ii) the figures of earlier periods have been regrouped (but not restated retrospectively for changes in accounting policies and audit qualifications), wherever necessary, to conform to the classification adopted for the Reformatted Consolidated Financial Information as at and for the year ended March 31, 2021.

Other Financial Information

16. At the Company's request, we have also examined the following other financial information proposed to be included in the Draft Prospectus and/or Prospectus prepared by the Management and approved by the Bond Issue Committee of the Board of Directors of the Company and annexed to this report relating to the Group, as at and for each of the years ended March 31, 2021, 2020 and 2019:

- Statement of Dividend, enclosed as Annexure VI

Other Matters

17. We have not audited any financial statements of the Group as of or for the years ended March 31, 2021, 2020 or 2019 and for any period subsequent to March 31, 2021. Accordingly, we express no opinion on the financial position, profit and loss or cash flow of the Company as of and for the year March 31, 2021, 2020, 2019 or for any date or for any period subsequent to March 31, 2021.

18. In the preparation and presentation of Reformatted Consolidated Financial Information based on Audited Consolidated Financial Statements, no adjustments have been made for any events occurring subsequent to dates of the audit reports specified in paragraph 2 above.

19. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

20. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by the Erstwhile auditors, nor should this be construed as a new opinion on any of the financial statements referred to herein.

Restrictions on use

21. This report is addressed to and is provided to enable the Company for inclusion in the Draft Prospectus and/or Prospectus, to be filed by the Company in connection with the Issue with the Stock Exchanges, ROC and with the SEBI. The Reformatted Consolidated Financial Information may, therefore, not be suitable for another purpose or distributed to any other person, without our prior written consent.

For Hem Sandeep & Co.
Chartered Accountants
Firm Registration No.: 009907N

Ajay Sardana
Partner
Membership No.: 089011
Place: New Delhi
Date: March 25, 2022
UDIN: 22089011AFXWQY1507

Dhani Loans and Services Limited
(Formerly known as Indiabulls Consumer Finance Limited)
Annexure - I
Reformatted Consolidated Statement of Assets and Liabilities
(All amounts are in Indian Rupees in million unless stated otherwise)

	Note	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
ASSETS				
Financial assets				
(a) Cash and cash equivalents	6	10,140.84	19,909.14	9,496.89
(b) Other bank balances	7	3,513.00	3,872.46	1,504.62
(c) Receivables				
Trade receivables	8	982.47	1,311.51	2,003.37
Other receivables	9	628.93	586.52	996.54
(d) Loans	10	40,898.22	47,985.65	105,228.80
(e) Investments	11	13,810.47	5,875.40	5,854.69
(f) Other financial assets	12	3,714.32	8,585.52	9,470.74
Total financial assets		**73,688.25**	**88,126.20**	**134,555.65**
Non-financial assets				
(a) Current tax assets (net)	13	1,573.83	1,339.80	401.83
(b) Deferred tax assets (net)	14	1,300.16	795.06	635.81
(c) Investment accounted for using the equity method	15	-	-	356.76
(d) Property, plant and equipment	16A	619.98	674.63	371.62
(e) Right-of-use assets	16B	1,215.45	2,282.03	-
(f) Intangible assets under development	16C	38.05	54.26	24.61
(g) Goodwill	16D	648.30	358.67	-
(h) Other intangible assets	16E	769.22	957.82	536.41
(i) Other non-financial assets	17	3,254.33	2,693.30	1,124.71
Total non-financial assets		**9,419.32**	**9,155.57**	**3,451.75**
TOTAL ASSETS		**83,107.57**	**97,281.77**	**138,007.40**
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
(a) Derivative financial instruments	18	-	-	20.94
(b) Payables				
Trade payables	19			
(i) total outstanding dues of micro enterprises and small enterprises		-	0.24	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		526.45	720.54	585.42
Other payables	20			
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		902.37	339.83	219.19
(c) Debt securities	21	7,706.03	8,042.78	17,389.62
(d) Borrowings (other than debt securities)	22	27,405.83	40,504.71	70,232.55
(e) Lease liabilities	23	1,339.87	2,410.77	-
(f) Other financial liabilities	24	3,879.67	1,784.30	4,295.98
Total financial liabilities		**41,760.22**	**53,803.17**	**92,743.70**
Non-financial Liabilities				
(a) Current tax liabilities (net)	25	3.80	-	-
(b) Provisions	26	229.36	268.46	359.94
(c) Other non-financial liabilities	27	183.60	616.39	426.97
Total non-financial liabilities		**416.76**	**884.85**	**786.91**
EQUITY				
(a) Equity share capital	28	611.88	611.88	611.88
(b) Instruments entirely equity in nature	29	-	-	-
(c) Other equity	30	39,667.51	40,817.59	43,864.41
Equity attributable to the owners of the Holding Company		**40,279.39**	**41,429.47**	**44,476.29**
(d) Non controlling interest		651.20	1,164.28	0.50
Total equity		**40,930.59**	**42,593.75**	**44,476.79**
TOTAL LIABILITIES AND EQUITY		**83,107.57**	**97,281.77**	**138,007.40**

The accompanying notes form an integral part of these Reformatted Consolidated Financial Informaion.

This is the Reformatted Consolidated Statement of Assets and Liabilities referred to in our report of even date.

For Hem Sandeep & Co.
Chartered Accountants
Firm's registration no. : 009907N

For and on behalf of the Board of Directors

Ajay Sardana
Partner
Membership No.: 089011
Place: New Delhi
Date: 25 March 2022

Pinank Jayant Shah
Whole Time Director &
Chief Executive Officer
DIN: 07859798
Place: Mumbai
Date: 25 March 2022

Ajit Kumar Mittal
Director
DIN: 02698115
Place: Mumbai
Date: 25 March 2022

Rajeev Lochan Agrawal
Chief Financial Officer
Place: Gurugram
Date: 25 March 2022

Manish Rustagi
Company Secretary
Place: Gurugram
Date: 25 March 2022

Dhani Loans and Services Limited
(Formerly known as Indiabulls Consumer Finance Limited)
Annexure - II
Reformatted Consolidated Statement of Profit and Loss
(All amounts are in Indian Rupees in million unless stated otherwise)

		Note	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
I.	**Revenue from operations**				
	Interest income	31	8,450.44	18,219.75	14,952.19
	Dividend income	32	-	493.49	253.48
	Fees and commission income	33	1,730.00	1,897.56	2,094.60
	Net gain on fair value changes	34	306.45	12.56	53.79
	Net gain on derecognition of financial assets	35	1,004.55	6,166.90	325.76
	Total revenue from operations		**11,491.44**	**26,790.26**	**17,679.82**
II.	Other income	36	275.50	46.55	72.47
III.	**Total income (I + II)**		**11,766.94**	**26,836.81**	**17,752.29**
IV.	**Expenses**				
	Finance costs	37	4,585.00	8,577.26	6,280.17
	Fees and commission expense	38	519.25	283.08	24.91
	Impairment on financial assets	39	1,841.20	8,964.98	1,035.06
	Employee benefits expenses	40	3,334.05	4,350.97	2,723.60
	Depreciation, amortisation and impairment	41	734.19	996.73	228.58
	Other expenses	42	2,002.20	4,245.43	2,212.87
	Total expenses		**13,015.89**	**27,418.45**	**12,505.19**
V.	**(Loss)/profit before share of (loss)/ profit of an associate and tax (III - IV)**		**(1,248.95)**	**(581.64)**	**5,247.10**
VI.	Share of loss in an associate		-	-	(0.28)
VII.	**Loss before tax (V + VI)**		**(1,248.95)**	**(581.64)**	**5,246.82**
VIII.	**Tax expense**	43			
	Current tax		420.72	118.13	1,555.84
	Deferred tax credit		(511.41)	(325.50)	(154.18)
	Total tax expenses		**(90.69)**	**(207.37)**	**1,401.66**
IX.	**Loss/(profit) for the year (VII - VIII)**		**(1,158.26)**	**(374.27)**	**3,845.16**
X.	**Other comprehensive income**				
	(i) Items that will not be reclassified to profit or loss				
	(a) Remeasurement gain/(loss) on defined benefit plans		60.78	(6.53)	(9.63)
	(ii) Income-tax relating to items that will not be reclassified to profit and loss		(15.30)	1.64	3.06
	(iii) Items that will be reclassified to profit or loss				
	(a) Changes in fair valuation of financial assets		(35.70)	105.90	-
	(iv) Income-tax relating to items that will be reclassified to profit or loss		8.99	(26.65)	-
	Total other comprehensive income (net of taxes)		**18.77**	**74.36**	**(6.57)**
XI.	**Total comprehensive income for the year (VII + VIII)**		**(1,139.49)**	**(299.91)**	**3,838.59**
	Net profit after tax attributable to -				
	Owners of the Holding Company		(1,115.91)	(414.77)	3,845.16
	Non controlling interests		(42.35)	40.50	-
			(1,158.26)	**(374.27)**	**3,845.16**
	Other comprehensive income attributable to -				
	Owners of the Holding Company		18.77	73.06	(6.57)
	Non controlling interests		-	1.30	-
			18.77	**74.36**	**(6.57)**
	Total comprehensive income attributable to -				
	Owners of the Holding Company		(1,097.14)	(341.71)	3,838.59
	Non controlling interests		(42.35)	41.80	-
			(1,139.49)	**(299.91)**	**3,838.59**
XII.	**Earnings per equity share:**	44			
	Basic (₹)		(18.24)	(6.78)	76.37
	Diluted (₹)		(18.24)	(6.78)	68.85
	Face value per equity share (₹)		10.00	10.00	10.00

The accompanying notes form an integral part of these Reformatted Consolidated Financial Information.

This is the Reformatted Consolidated Statement of Profit and Loss referred to in our report of even date.

For Hem Sandeep & Co.
Chartered Accountants
Firm's registration no. : 009907N

For and on behalf of the Board of Directors

Ajay Sardana
Partner
Membership No.: 089011

Pinank Jayant Shah
Whole Time Director &
Chief Executive Officer
DIN: 07859798

Ajit Kumar Mittal
Director
DIN: 02698115

Rajeev Lochan Agrawal
Chief Financial Officer

Manish Rustagi
Company Secretary

Place: New Delhi
Date: 25 March 2022

Place: Mumbai
Date: 25 March 2022

Place: Mumbai
Date: 25 March 2022

Place: Gurugram
Date: 25 March 2022

Place: Gurugram
Date: 25 March 2022

Dhani Loans and Services Limited
(Formerly known as Indiabulls Consumer Finance Limited)
Annexure - III
Reformatted Consolidated Statement of Cash Flows
(All amounts are in Indian Rupees in million unless stated otherwise)

Particulars		For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash flow from operating activities :				
Profit/ (Loss) before tax		(1,248.95)	(581.64)	5,246.82
Adjustments for:				
Depreciation, amortisation and impairment		734.19	996.73	228.58
Excess provisions written back		(91.18)	(19.58)	(52.49)
Net gain on fair value changes		(306.44)	(12.56)	(53.79)
Loss/(profit) on sale of property, plant and equipment (net)		74.24	(0.04)	0.02
Gain on derecognition of financial assets		-	-	(27.80)
Loss/(gain) on sale of loan portfolio through assignment		-	-	(298.07)
Provision for employee benefits		63.85	122.67	40.14
Interest on lease liabilities		168.71	258.11	-
Impairment on financial assets		1,841.20	8,964.98	1,035.06
Gain on modification/derecognition of right of assets		(113.73)	-	
Effective interest rate adjustment for financial instruments		125.54	265.91	(210.29)
Share based payments expense /(reversal) to employees		(62.07)	150.46	345.65
Operating profit before working capital changes		**1,185.36**	**10,145.04**	**6,253.83**
Adjustments for:				
(Increase)/decrease in trade receivables		299.04	(105.66)	33.36
(Increase)/decrease in other receivables		(42.41)	410.02	207.87
(Increase)/decrease in loans		5,389.81	49,379.83	(66,017.62)
(Increase)/decrease in other financial assets		4,610.67	(819.20)	(7,449.04)
(Increase)/decrease in other non-financial assets		(667.66)	(386.34)	(460.72)
Increase/(decrease) in derivative financial instruments		-	(46.52)	(112.45)
Increase/(decrease) in trade payables		(194.33)	122.29	303.98
Increase/(decrease) in other payables		653.72	139.71	211.47
Increase/(decrease) in other financial liabilities		2,035.89	(2,569.66)	(2,500.01)
Increase/(decrease) in provisions		(42.17)	(224.87)	102.66
Increase/(decrease) in other non-financial liabilities		(432.79)	240.56	71.63
Cash generated from/ (used in) operating activities		**12,795.13**	**56,285.20**	**(69,355.04)**
Income taxes paid (net of refunds)		(650.95)	(1,043.04)	(1,695.37)
Net cash generated from/ (used in) operating activities	**A**	**12,144.18**	**55,242.16**	**(71,050.41)**
Cash flows from investing activities :				
Purchase of property, plant and equipment, intangible assets under development and intangible assets (including capital advances)		(143.44)	(1,880.48)	(756.99)
Proceeds from disposal of property, plant and equipment		10.34	5.01	0.01
Payment made for acquisition of subsidiary		(289.63)	(955.90)	(356.76)
Proceeds from sale of investment (net)		(7,628.63)	17.43	1,618.54
Net cash generated from/ (used in) investing activities	**B**	**(8,051.36)**	**(2,813.94)**	**504.80**
Cash flows from financing activities :				
Proceeds from issue of equity shares (including premium) (net of share issue expense)		-	-	22,971.98
Share issue expenses paid		-	(26.96)	-
Proceeds from debt securities		5,250.00	4,182.03	78,653.97
Repayment of debt securities		(5,714.50)	(13,750.00)	(64,641.92)
Proceeds from borrowings (other than debt securities)		18,056.05	29,758.31	102,883.28
Repayment of borrowings (other than debt securities)		(31,075.61)	(51,446.18)	(68,691.06)
Payments of lease liabilities		(368.82)	(564.01)	-
Dividends paid (including dividend distribution tax)		-	(2,083.87)	(557.93)
Net cash generated from/ (used in) financing activities	**C**	**(13,852.88)**	**(33,930.68)**	**70,618.32**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**D**	**(9,760.06)**	**18,574.01**	**72.71**
Cash and cash equivalent of subsidiary acquired	**E**	-	76.47	-
Cash and cash equivalents at the beginning of the year	**F**	19,900.90	1,326.89	1,254.18
Cash and cash equivalents at the end of the year (D+E+F)		**10,140.84**	**19,900.90**	**1,326.89**

Dhani Loans and Services Limited
(Formerly known as Indiabulls Consumer Finance Limited)
Annexure - III
Reformatted Consolidated Statement of Cash Flows
(All amounts are in Indian Rupees in million unless stated otherwise)

Notes:

1. The above Reformatted Consolidated Statement of Cash Flows has been prepared under the " Indirect Method " as set out in Indian Accounting Standard (Ind AS) -7 'Statement of Cash Flows' as specified under section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

2. **Cash and cash equivalents as at the end of the year include:**

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents (as per note 6) *	10,140.84	19,909.14	9,496.89
Less: Bank overdraft (as per note - 22)	-	(8.24)	(8,170.00)
	10,140.84	**19,900.90**	**1,326.89**

*Refer note 7(i) for restriction of cash and cash equivalents

3 For disclosures relating to changes in liabilities arising from financing activities, refer note- 48.

The accompanying notes form an integral part of these Reformatted Consolidated Financial Information.

This is the Reformatted Consolidated Statement of Cash Flows referred to in our report of even date.

For Hem Sandeep & Co.
Chartered Accountants
Firm's registration no. : 009907N

For and on behalf of the Board of Directors

Ajay Sardana
Partner
Membership No.: 089011

Place: New Delhi
Date: 25 March 2022

Pinank Jayant Shah
Whole Time Director &
Chief Executive Officer
DIN: 07859798

Place: Mumbai
Date: 25 March 2022

Ajit Kumar Mittal
Director
DIN: 02698115

Place: Mumbai
Date: 25 March 2022

Rajeev Lochan Agrawal
Chief Financial Officer

Place: Gurugram
Date: 25 March 2022

Manish Rustagi
Company Secretary

Place: Gurugram
Date: 25 March 2022

Dhani Loans and Services Limited
(Formerly known as Indiabulls Consumer Finance Limited)
Annexure - IV
Reformatted Consolidated Statement of Changes in Equity
(All amounts are in Indian Rupees in million unless stated otherwise)

A. Equity share capital (refer note - 28)

	Balance as at 1 April 2018	Changes during the year	Balance as at 1 April 2019	Changes during the year	Balance as at 31 March 2020	Changes during the year	Balance as at 31 March 2021
Equity share capital	245.52	366.36	611.88	-	611.88	-	611.88

B. Other equity (refer note - 30)

Particulars	Securities premium	Capital redemption reserve	Reserve Fund (U/s 45-IC of RBI Act, 1934)	Share options outstanding account	Retained earnings	Change in fair value of loan assets through other comprehensive income	Other Component of Equity	Deemed equity contribution by Holding Company	Debenture redemption reserve	Capital reserve	General reserve	Total attributable to equity shareholders of the Holding Company	Total non-controlling interest	Total
Balance as at 1 April 2018	**14,392.32**	**10.00**	**418.68**	**248.76**	**2,303.07**	**-**	**-**	**85.12**	**-**	**-**	**81.58**	**17,539.53**	**-**	**17,539.53**
Profit for the year	-	-	-	-	3,845.16	-	-	-	-	-	-	3,845.16	-	3,845.16
Other comprehensive income (net of tax)	-	-	-	-	(6.57)	-	-	-	-	-	-	(6.57)	-	(6.57)
Transfer from retained earnings	-	-	799.81	-	(841.46)	-	-	-	41.65	-	-	-	-	-
Issue of equity shares	25,356.12	-	-	-	-	-	-	-	-	-	-	25,356.12	-	25,356.12
Adjustment of compulsory convertible preference shares (refer note 29)	(2,695.00)	-	-	-	-	-	-	-	-	-	-	(2,695.00)	-	(2,695.00)
Share based payment to employees	-	-	-	345.65	-	-	-	-	-	-	-	345.65	-	345.65
Transfer to retained earnings	-	-	-	(1.28)	1.28	-	-	-	-	-	-	-	-	-
Equity component for financial guarantee	-	-	-	-	-	-	-	37.45	-	-	-	37.45	-	37.45
Effect of change in foreign exchange rate	-	-	-	-	-	-	-		-	-	-	-	-	-
Amortised/utilised during the year	-	-	-	-	-	-	-		-	-	-	-	-	-
Dividends (including dividend distribution tax) during the year (Rs. 18.85 per share)	-	-	-	-	(557.93)	-	-	-	-	-	-	(557.93)	-	(557.93)
Non-controlling interests on acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	0.50	0.50
Balance as at 31 March 2019	**37,053.44**	**10.00**	**1,218.49**	**593.14**	**4,743.54**	**-**	**-**	**122.57**	**41.65**	**-**	**81.58**	**43,864.41**	**0.50**	**43,864.91**
Loss for the year	-	-	-	-	(481.93)	-	-	-	-	-	-	(481.93)	106.36	(375.57)
Other comprehensive income (net of tax)	-	-	-	-	(4.89)	79.25	-	-	-	-	-	74.36	1.30	75.66
Transfer from retained earnings	-	-	108.51	-	(108.51)	-	-	-	-	-	-	-	-	-
Transfer from debenture redemption reserve during the year	-	-	-	-	41.65	-	-	-	(41.65)	-	-	-	-	-
Share based payment expense	-	-	-	150.46	-	-	-	-	-	-	-	150.46	-	150.46
Non-controlling interests on acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	1,056.12	1,056.12
Share issue expenses	(26.96)	-	-	-	-	-	-	-	-	-	-	(26.96)	-	(26.96)
Transfer to other component of equity	-	-	-	(64.36)	-	-	64.36	-	-	-	-	-	-	-
Equity component for financial guarantee	-	-	-	-	-	-	-	14.17	-	-	-	14.17	-	14.17
Transfer to retained earnings	-	-	-	(19.22)	19.22	-	-	-	-	-	-	-	-	-
Dividends (including dividend distribution tax) during the year (Rs. 28.25 per share)	-	-	-	-	(2,083.87)	-	-	-	-	-	-	(2,083.87)	-	(2,083.87)
Acquisition adjustment of subsidiaries	-	-	-	(0.55)	(53.43)	-	-	-	-	(627.68)	(11.39)	(693.05)	-	(693.05)
Balance as at 31 March 2020	**37,026.48**	**10.00**	**1,327.00**	**659.47**	**2,071.78**	**79.25**	**64.36**	**136.74**	**-**	**(627.68)**	**70.19**	**40,817.59**	**1,164.28**	**41,981.87**

Dhani Loans and Services Limited
(Formerly known as Indiabulls Consumer Finance Limited)
Annexure - IV
Reformatted Consolidated Statement of Changes in Equity
(All amounts are in Indian Rupees in million unless stated otherwise)

B. Other equity (refer note - 30) (continued)

Particulars	Securities premium	Capital redemption reserve	Reserve Fund (U/s 45-IC of RBI Act, 1934)	Share options outstanding account	Retained earnings	Change in fair value of loan assets through other comprehensive income	Other Component of Equity	Deemed equity contribution by Holding Company	Debenture redemption reserve	Capital reserve	General reserve	Total attributable to equity shareholders of the Holding Company	Total non-controlling interest	Total
Balance as at 1 April 2020	**37,026.48**	**10.00**	**1,327.00**	**659.47**	**2,071.78**	**79.25**	**64.36**	**136.74**	**-**	**(627.68)**	**70.19**	**40,817.59**	**1,164.28**	**41,981.87**
Loss for the year	-	-	-	-	(1,115.91)	-	-	-	-	-	-	(1,115.91)	(42.35)	(1,158.26)
Other comprehensive income (net of tax)	-	-	-	-	45.48	(26.71)	-	-	-	-	-	18.77	-	18.77
Share based payment expense	-	-	-	(62.07)	-	-	-	-	-	-	-	(62.07)	-	(62.07)
Equity component for financial guarantee	-	-	-	-	-	-	-	9.38	-	-	-	9.38	-	9.38
Transfer to retained earnings	-	-	-	(304.40)	304.40	-	-	-	-	-	-	-	-	-
Acquisition adjustment of subsidiaries	-	-	-	-	(0.25)	-	-	-	-	-	-	(0.25)	(470.73)	(470.98)
Balance as at 31 March 2021	**37,026.48**	**10.00**	**1,327.00**	**293.00**	**1,305.50**	**52.54**	**64.36**	**146.12**	**-**	**(627.68)**	**70.19**	**39,667.51**	**651.20**	**40,318.71**

The accompanying notes form an integral part of these Reformatted Consolidated Financial Information.

This is Reformatted Consolidated Statement of Changes in Equity referred to in our report of even date.

For Hem Sandeep & Co.
Chartered Accountants
Firm's registration no. : 009907N

For and on behalf of the Board of Directors

Ajay Sardana
Partner
Membership No.: 089011

Place: New Delhi
Date: 25 March 2022

Pinank Jayant Shah
Whole Time Director &
Chief Executive Officer
DIN: 07859798

Place: Mumbai
Date: 25 March 2022

Ajit Kumar Mittal
Director
DIN: 02698115

Place: Mumbai
Date: 25 March 2022

Rajeev Lochan Agrawal
Chief Financial Officer

Place: Gurugram
Date: 25 March 2022

Manish Rustagi
Company Secretary

Place: Gurugram
Date: 25 March 2022

Note - 1 Group overview

Dhani Loans and Ssrvices Limited (formerly, Indiabulls Consumer Finance Limited) ('DLSL', 'the Holding Company', 'the Company') along with its subsidiaries and associate, collectively referred to as 'the Group' in following notes. The Group's primary businesses are "Financing and Related activities" and "Broking and Related activities". Financing and Related activities include business of financing and investing related activities. Broking and related activities include business of cross selling of real estate and providing other ancillary services relating to broking activities. The Holding Company is a non-deposit accepting Non-Banking Financial Company ('NBFC-ND') and is registered as a Non-Banking Financial Company with the Reserve Bank of India ("RBI") under section 45-IA of the Reserve bank of India Act, 1934. The Holding is domiciled in India and its registered office is situated at M-62 and 63, First Floor, Connaught Place, New Delhi – 110001.

Note - 2 General information and statement of compliance with Ind AS

These Reformatted Consolidated Financial Information have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Group has uniformly applied the accounting policies during the periods presented in this Reformatted Consolidated Financial Information.

These Reformatted Consolidated Financial Information as at and for the year ended 31 March 2021, 31 March 2020 and 31 March 2019 were authorized and approved for issue by the Board of Directors on 25 March 2022.

Note - 3 Basis of preparation

The Reformatted Consolidated Financial Information of the Company comprise of the Reformatted Consolidated Statement of Assets and Liabilities as at 31 March 2021, 31 March 2020 and 31 March 2019, the related Reformatted Consolidated Statement of Profit and Loss (including other comprehensive income), the Reformatted Consolidated Statement of Cash Flows, the Reformatted Consolidated Statement of Changes in Equity for the years ended 31 March 2021, 31 March 2020 and 31 March 2019, and the summary of significant accounting policies and other explanatory information (collectively, the Reformatted Consolidated Financial Information') and have been extracted by the Management from the Consolidated Audited Financial Statements of the Group for the year ended 31 March 2021, 31 March 2020 and 31 March 2019 ("Audited Consolidated Financial Statements").

The Reformatted Consolidated Financial Information have been prepared by the management in connection with the proposed issue of non convertible debentures of the Company to be listed on BSE Limited and National Stock Exchange of India (collectively the "Stock Exchanges" in accordance with the requirements of section 26 of the act, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (the "SEBI Regulations"), issued by SEBI, in pursuance of the Securities and Exchange Board of India Act, 1992 (the "SEBI Act"), as amended from time to time and related clarifications issued by the Stock Exchanges.

The Reformatted Consolidated Financial Information have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the Reformatted Consolidated Financial Information have been prepared on historical cost basis except for certain financial assets and financial liabilities and share based payments which are measured at fair values as explained in relevant accounting policies.

Note - 4 Basis of consolidation

Subsidiaries

The Reformatted Consolidated Financial Information comprise financial statements of the Holding Company and its subsidiaries. Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The Group can have power over the investee even if it owns less than majority voting rights i.e. rights arising from other contractual arrangements. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Statement of profit and loss [including other comprehensive income ('OCI')] of subsidiaries acquired or disposed of during the period are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group combines the financial statements of the Holding Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's statement of profit and loss and net assets that is not held by the Group. Statement of profit and loss balance [including other comprehensive income ('OCI')] is attributed to the equity holders of the Holding Company and to the non-controlling interest basis the respective ownership interests and such balance is attributed even if this results in controlling interests having a deficit balance.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. Such a change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized within equity.

Associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control those policies. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Interest in associates are accounted for using the equity method, after initially being recognized at cost. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the investee, adjusted where necessary to ensure consistency with the accounting principles and policies of the Group. The consolidated statement of profit and loss (including the other comprehensive income) includes the Group's share of the results of the operations of the investee. Dividends received or receivable from associates are recognized as a reduction in the carrying amount of the investment. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interests in associates.

Note - 4 Basis of consolidation (continued)

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group. Acquisition costs are expensed as incurred.

Business combination

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their acquisition-date fair values. Goodwill is measured as excess of the aggregate of the fair value of the consideration transferred, the amount recognized for non-controlling interests and fair value of any previous interest held, over the fair value of the net of identifiable assets acquired and liabilities assumed. If the fair value of the net of identifiable assets acquired and liabilities assumed is in excess of the aggregate mentioned above, the resulting gain on bargain purchase is recognized in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through other comprehensive income.

Business combinations involving entities or businesses under common control have been accounted for using the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts. No adjustments have been made to reflect fair values, or to recognize any new assets or liabilities.

Note - 5 Summary of significant accounting policies

I Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures. Actual results may differ from these estimates.

Significant management judgements

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

Business model assessment - The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Impairment of financial assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Expected credit loss ('ECL') – The measurement of expected credit loss allowance for financial assets measured at amortised cost requires use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. likelihood of customers defaulting and resulting losses). The Group makes significant judgements with regard to the following while assessing expected credit loss:

· Determining criteria for significant increase in credit risk;
· Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
· Establishing groups of similar financial assets for the purposes of measuring ECL.

Provisions – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Significant estimates

Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

Note - 5

II Summary of significant accounting policies

The Reformatted Consolidated Ind AS Financial Information have been prepared using the significant accounting policies and measurement bases summarised below. These were used throughout all periods presented in the Reformatted Consolidated Ind AS Financial Information, except where the Group has applied certain accounting policies and exemptions upon transition to Ind AS.

a. Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group. All other repair and maintenance costs are recognised in consolidated statement of profit and loss as incurred.

Subsequent measurement (depreciation and useful lives)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on a straight-line basis, computed on the basis of useful lives prescribed in Schedule II to the Companies Act, 2013. Leasehold improvements are amortised over the duration of the lease.

Asset class	Useful life
Furniture and fixtures	10 years
Vehicles	8-10 years
Office equipment	5 years
Computer equipment	3 years
Server and Networks	6 years
Leasehold improvements	Over the period of lease

Property, plant and equipment individually costing up to INR 5,000 are fully depreciated in the year of acquisition. Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the consolidated statement of profit and loss, when the asset is derecognised.

b. Intangible assets

Recognition and initial measurement

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent measurement (amortisation method, useful lives and residual value)

Asset class	Useful life
Software	3 - 10 years

Intangible assets are amortised from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

The Company had developed a software that is used to enhance the company's business in e-wallet segment. Useful life of that software were estimated 4 year basis the expected economic benefit from the software . However, the company has reassessed the expected pattern of consumption of economic benefit basis technical estimate of the software and expect benefits will flow to the Company till 10 years.

c. Intangible assets under development

Intangible assets under development represents expenditure incurred in respect of intangible assets under development and are carried at cost. Cost includes development cost, borrowing costs and other direct expenditure necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. These are recognised as assets when the Group can demonstrate following recognition requirements:

· The development costs can be measured reliably
· The project is technically and commercially feasible
· The Group intends to and has sufficient resources to complete the project
· The Group has the ability to use or sell the such intangible asset
· The asset will generate probable future economic benefits.

Amortisation of the asset begins when development is complete and the asset is available for use.

II Summary of significant accounting policies (continued)

d. Revenue recognition

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115, Revenue from contracts with customers, outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

The Group recognises revenue from the following sources:

Interest income

Interest income on a financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). The EIR on financial asset after netting off the fees received and cost incurred approximates the effective interest rate of return for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument.

Income from assignment transactions

Gains arising out of direct assignment transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the right of excess interest spread (EIS). The future EIS basis the scheduled cash flows on execution of the transaction, discounted at the applicable rate entered into with the assignee is recorded upfront in the statement of profit and loss. EIS evaluated and adjusted for ECL and expected prepayment.

Interest on investments and deposits

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

Commission income

Income from commissions / brokerage is recognised on accrual basis, generally as set out under the terms of contracts / agreements with respective customer.

Revenue from Digital Wallet Service & Merchant Fee

Revenue from digital services is recognized for providing payment gateway aggregation services and as a platform for merchant transactions executed through the wallets provided to customers through payment gateways, on a periodic basis as and when transactions are settled. Wallet maintenance fees in relation to facilitating wallet transactions and maintenance of related technical platforms is recognized on an accrual basis. Merchant fees from wallet transaction are recognized on the basis of successful pay-out of wallet usage to the respective merchants. The settlements are done daily for such transactions with the merchants. Revenue from banking correspondence services are recognised on accrual basis in accordance with the terms and conditions of the underlying mandates entered into with bank. The Group provides card enabled prepaid payment program management and remittance services. In such contracts, revenue is recognised as and when transactions are done through cards.

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II **Summary of significant accounting policies (continued)**

Dividend income

Dividend income is recognised when the right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Net gain on fair value changes

The Group designates certain financial assets for subsequent measurement at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI). The Group recognises gains on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL and FVOCI on net basis.

Miscellaneous income

All other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realization/collection.

e. Borrowing costs

Borrowing costs directly attributable to the acquisition and/or construction of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the consolidated statement of profit and loss as incurred basis the effective interest rate method.

f. Taxation

Tax expense recognized in consolidated statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum alternate tax ('MAT') credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the consolidated statement of profit and loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognised to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside consolidated statement of profit and loss (either in other comprehensive income or in equity).

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II **Summary of significant accounting policies (continued)**

g. Employee benefits

Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

Other long-term employee benefits

The Group also provides the benefit of compensated absences to its employees which are in the nature of long-term employee benefit plan. Liability in respect of compensated absences becoming due and expected to availed after one year from the Balance Sheet date is estimated in the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to consolidated statement of profit and loss in the year in which such gains or losses are determined.

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

Defined contribution plans

The Group has a defined contribution plans namely provident fund, pension fund, labour welfare fund and employees state insurance scheme. The contribution made by the Group in respect of these plans are charged to the consolidated statement of profit and loss.

Defined benefit plans

The Group has unfunded gratuity as defined benefit plan where the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The liability recognised in the balance sheet for defined benefit plans as the present value of the defined benefit obligation (DBO) at the reporting date. Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

h. Share based payments

Share based compensation benefits are provided to employees via Dhani Services Limited (formerly, Indiabulls Ventures Limited) ('Ultimate Holding Company') Employee Stock Option Plans (ESOPs). The employee benefits expense is measured using the fair value of the employee stock options and is recognised over vesting period with a corresponding increase in equity. The vesting period is the period over which all the specified vesting conditions are to be satisfied. On the exercise of the employee stock options, the employees of the Holding Company will be allotted Ulitmate Holding Company's equity shares.

i. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. For cash flow statement purposes, cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

j. Provisions, contingent assets and contingent liabilities

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:
· Possible obligations which will be confirmed only by future events not wholly within the control of the Group or
· Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

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II Summary of significant accounting policies (continued)

k. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement
Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

Non-derivative financial assets

Subsequent measurement

i. Financial assets carried at amortised cost – a financial asset is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

ii. Financial assets carried at fair value through other comprehensive income (FVOCI):

A financial asset is measured at FVOCI if both the following conditions are met:
(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and selling financial assets, and
(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

FVOCI instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and impairment gains or losses are recognised in the statement of profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified to the statement of profit or loss.

iii. Investments in equity instruments – Investments in equity instruments which are held for trading are classified as at fair value through profit or loss (FVTPL). For all other equity instruments, the Group makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Group transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

iv. Investments in mutual funds – Investments in mutual funds are measured at fair value through profit and loss (FVTPL).

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments: Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

Level 3 financial instruments: Those that include one or more unobservable input that is significant to the measurement as whole. Based on the Group's business model for managing the investments, the Group has classified its investments and securities for trade at FVTPL.
Financial liabilities are carried at amortised cost using the effective interest rate method. For trade and other payables the carrying amount approximates the fair value due to short maturity of these instruments.

II Summary of significant accounting policies (continued)

De-recognition of financial assets

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are derecognised (i.e. removed from the Group's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Group has not retained control, it shall also derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

Non-derivative financial liabilities

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit and loss.

Convertible debentures

Convertible debentures are separated into liability and equity components basis the terms of the contract. On issuance of the convertible debentures, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as financial liability measured at amortised cost until it is extinguished on conversion. The remainder of the proceeds is recognised in equity since conversion option meets the fixed for fixed criteria.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative contracts

The Group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit and loss using mark to market information.

The Group also enters into certain derivative contracts (futures) to hedge risks which are designated as hedges of the fair value of recognised assets i.e. investment in equity instrument (fair value hedge). For hedge assessment, the hedging relationship must meet conditions with respect to documentation, strategy and economic relationship of the hedged transaction. In case of fair value, the change in fair value of derivative is recognised in the consolidated statement of profit and loss along with change in fair value of underlying asset.

l. Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. The Group factors historical trends and forward looking information to assess expected credit losses associated with its assets and impairment methodology applied depends on whether there has been a significant increase in credit risk.

Loan assets

The Group follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

· **Stage 1** (1-30 days) includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.

· **Stage 2** (31-60 days) includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.

· **Stage 3** (more than 90 days) includes loan assets that have objective evidence of impairment at the reporting date.

The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:

Probability of Default (PD) - The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

Loss Given Default (LGD) – LGD represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.

II Summary of significant accounting policies (continued)

Exposure at Default (EAD) – EAD is based on the amounts the Group expects to be owed at the time of default. For a revolving commitment, the Group includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.
Forward-looking economic information is included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

Trade receivables

In respect of trade receivables, the Group applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets

In respect of its other financial assets, the Group assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Group compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

Write-offs

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to impairment on financial instrument in consolidated statement of profit and loss.

m. Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. Recoverable amount is higher of an asset's net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the consolidated statement of profit and loss. If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

n. Earnings per equity share

Basic earnings per equity share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings equity per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o. Segment reporting

The Group identifies segment basis the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are regularly reviewed by the CODM ('chief operating decision maker') in deciding how to allocate resources and in assessing performance.

p. Foreign currency

Functional and presentation currency

Items included in the financial statement of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Reformatted Consolidated Ind AS Financial Information have been prepared and presented in Indian Rupees (INR), which is the Holding Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.
Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the consolidated statement of profit and loss in the year in which they arise.

II Summary of significant accounting policies (continued)

q. Classification of leases –

The Group enters into leasing arrangements for various premises. The assessment (including measurement) of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/terminate etc. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.

Leases

Till previous year, assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on straight-line basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

For any new contracts entered into on or after 1 April 2019, the Group considers whether a contract is, or contains a lease (the transition approach has been explained and disclosed in Note 46). A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Classification of leases

The Group enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

Recognition and initial measurement

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent measurement

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Groups incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Group has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in statement of profit and loss on a straight-line basis over the lease term.

r. Dividend

Provision is made for the amount of any dividend declared on or before the end of the reporting period but not distributed at the end of the reporting period, being appropriately authorised and no longer at the discretion of the Company. The final dividend on shares is recorded as a liability on the date of approval by the shareholders, and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

s. New accounting pronouncement

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or noncurrent.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

- The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

(All amounts are in Indian Rupees in million unless stated otherwise)

Note - 6
Cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Cash on hand	0.29	0.83	0.44
Balance with banks			
- Current accounts	4,082.81	18,404.00	8,691.68
- in bank deposits with original maturity of less than 3 months (refer note 7(i))	6,057.74	1,504.31	804.77
	10,140.84	**19,909.14**	**9,496.89**

Note - 7
Other bank balances

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Bank deposits with original maturity of more than 3 months (refer note 7(i))	2,561.38	3,511.15	1,504.62
In earmarked accounts:			
- Earmarked accounts	951.62	361.31	-
	3,513.00	**3,872.46**	**1,504.62**

7(i) Bank deposits and other bank balances include:

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Overdraft facilities*	640.18	1,091.29	774.44
Deposit against securitisation	2,335.02	2,336.02	621.24
Bank guarantee	2.52	2.53	2.53
Margin money	-	-	111.33
	2,977.72	**3,429.84**	**1,509.54**

Note - 8
Trade receivables

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Receivables, considered good (unsecured)	982.47	1,311.51	2,003.37
Receivables which have significant increase in credit risk	311.69	709.47	228.86
	1,294.16	2,020.98	2,232.23
Less: impairment loss allowance	(311.69)	(709.47)	(228.86)
	982.47	**1,311.51**	**2,003.37**

Note - 9
Other receivables

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Receivables, considered good (unsecured)	628.93	586.52	996.54
Receivables which have significant increase in credit risk	335.31	389.46	100.73
	964.24	**975.98**	**1,097.27**
Less: impairment loss allowance	(335.31)	(389.46)	(100.73)
	628.93	**586.52**	**996.54**

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(All amounts are in Indian Rupees in million unless stated otherwise)

Note - 10
Loans

	As at 31 March 2021		
	At amortised cost	**At fair value through other comprehensive income**	**Total**
(a) Loans			
- Secured	7,032.52	163.31	7,195.83
- Unsecured	32,792.82	1,615.12	34,407.94
(b) Inter-Corporate deposits - Unsecured	3,686.49	-	3,686.49
Total gross	43,511.83	1,778.43	45,290.26
Less: impairment loss allowance	(4,368.63)	(23.41)	(4,392.04)
Total net	**39,143.20**	**1,755.02**	**40,898.22**
(i) Secured by tangible assets	7,032.52	163.31	7,195.83
(ii) Unsecured	36,479.31	1,615.12	38,094.43
Total gross	**43,511.83**	**1,778.43**	**45,290.26**
Less: impairment loss allowance	(4,368.63)	(23.41)	(4,392.04)
Total net	**39,143.20**	**1,755.02**	**40,898.22**
Loans in India			
(i) Public sector	-	-	-
(ii) Others	43,511.83	1,778.43	45,290.26
Total gross	**43,511.83**	**1,778.43**	**45,290.26**
Less: impairment loss allowance	(4,368.63)	(23.41)	(4,392.04)
Total net	**39,143.20**	**1,755.02**	**40,898.22**

	As at 31 March 2020		
	At amortised cost	**At fair value through other comprehensive income***	**Total**
(a) Loans			
- Secured	11,619.05	313.35	11,932.40
- Unsecured	30,567.70	4,592.37	35,160.07
(b) Inter-Corporate deposits	6,190.20	-	6,190.20
Total gross	48,376.95	4,905.72	53,282.67
Less: impairment loss allowance	(5,268.66)	(28.36)	(5,297.02)
Total net	**43,108.29**	**4,877.36**	**47,985.65**
(i) Secured by tangible assets	11,502.86	313.35	11,816.21
(ii) Secured by other assets	116.19	-	116.19
(iii) Unsecured	36,757.90	4,592.37	41,350.27
Total gross	**48,376.95**	**4,905.72**	**53,282.67**
Less: impairment loss allowance	(5,268.66)	(28.36)	(5,297.02)
Total net	**43,108.29**	**4,877.36**	**47,985.65**
Loans in India			
(i) Public sector	-	-	-
(ii) Others	48,376.95	4,905.72	53,282.67
Total gross	**48,376.95**	**4,905.72**	**53,282.67**
Less: impairment loss allowance	(5,268.66)	(28.36)	(5,297.02)
Total net	**43,108.29**	**4,877.36**	**47,985.65**

*During the year ended 31 March 2020, the Holding Company has entered into series of bilateral assignment transactions against outstanding loan portfolio. In the light of this, the management has concluded that the business model for loan against property, business installments loan and personal loan has changed from "hold to collect" to "hold to collect and sell". Accordingly, the Holding Company had reclassified its eligible portfolio from amortised category to fair value through other comprehensive income (FVOCI) category and hence recorded a fair value gain in other comprehensive income.

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(All amounts are in Indian Rupees in million unless stated otherwise)

Note - 10
Loans (continued)

	As at 31 March 2019		
	At amortised cost	**At fair value through other comprehensive income**	**Total**
(a) Loans			
- Secured	49,608.34	-	49,608.34
- Unsecured	56,721.72	-	56,721.72
(b) Inter-Corporate deposits - Unsecured	147.47	-	147.47
Total gross	106,477.53	-	106,477.53
Less: impairment loss allowance	(1,248.73)	-	(1,248.73)
Total net	**105,228.80**	**-**	**105,228.80**
(i) Secured by tangible assets	49,430.67	-	49,430.67
(ii) Secured by other assets	177.67	-	177.67
(iii) Unsecured	56,869.19	-	56,869.19
Total gross	**106,477.53**	**-**	**106,477.53**
Less: impairment loss allowance	(1,248.73)	-	(1,248.73)
Total net	**105,228.80**	**-**	**105,228.80**
Loans in India			
(i) Public sector	-	-	-
(ii) Others	106,477.53	-	106,477.53
Total gross	**106,477.53**	**-**	**106,477.53**
Less: impairment loss allowance	(1,248.73)	-	(1,248.73)
Total net	**105,228.80**	**-**	**105,228.80**

Note - 11
Investments

Investments	As at 31 March 2021			
	At amortised cost	**At fair value through profit or loss**	**At cost**	**Total**
Mutual funds	-	13,777.63	-	13,777.63
Security receipts	-	210.10	-	210.10
Total (A)	**-**	**13,987.73**	**-**	**13,987.73**
(i) Investments outside India	-	-	-	-
(ii) Investments in India	-	13,987.73	-	13,987.73
Total (B)	**-**	**13,987.73**	**-**	**13,987.73**
Less: Allowance for Impairment loss on security receipts (C)	-	(177.26)	-	(177.26)
Total (D) = (A)-(C)	**-**	**13,810.47**	**-**	**13,810.47**

Investments	As at 31 March 2020			
	At amortised cost	**At fair value through profit or loss**	**At cost**	**Total**
Mutual funds	-	815.51	-	815.51
Debt securities	-	5,059.89	-	5,059.89
Total (A)	**-**	**5,875.40**	**-**	**5,875.40**
(i) Investments outside India	-	-	-	-
(ii) Investments in India	-	5,875.40	-	5,875.40
Total (B)	**-**	**5,875.40**	**-**	**5,875.40**
Less: Allowance for Impairment loss (C)	-	-	-	-
Total (D) = (A)-(C)	**-**	**5,875.40**	**-**	**5,875.40**

Investments	As at 31 March 2019			
	At amortised cost	**At fair value through profit or loss**	**At cost**	**Total**
Mutual funds	-	5,532.34	-	5,532.34
Debt securities	-	261.75	-	261.75
Equity instruments	-	-	60.60	60.60
Total (A)	**-**	**5,794.09**	**60.60**	**5,854.69**
(i) Investments outside India	-	-	-	-
(ii) Investments in India	-	5,794.09	60.60	5,854.69
Total (B)	**-**	**5,794.09**	**60.60**	**5,854.69**
Less: Allowance for Impairment loss (C)	-	-	-	-
Total (D) = (A)-(C)	**-**	**5,794.09**	**60.60**	**5,854.69**

(All amounts are in Indian Rupees in million unless stated otherwise)

Note - 12
Other financial assets

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
(a) Receivable on assigned loans	847.99	4,451.77	298.07
Less: allowance for Impairment Loss	(163.56)	(191.57)	-
Net receivable on assigned loans	**684.43**	**4,260.20**	**298.07**
(b) Loan to employees	23.50	67.01	20.71
(c) Advances for purchase of shares	-	760.65	-
(d) Deposit for mark to market margin account	-	-	58.18
(e) Security deposits			
(i) Deposits for underwriting/distribution of real estate projects	2,872.10	3,326.34	8,996.54
(ii) Deposits with others	28.35	150.68	99.54
Less: impairment loss allowance	(2.01)	(2.01)	(2.30)
Net security deposit	**2,898.44**	**3,475.01**	**9,093.78**
(f) Other recoverable	107.95	22.65	-
	3,714.32	**8,585.52**	**9,470.74**

Note - 13
Current tax assets (net)

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Advance income tax (including tax deducted at source) [Net of provision for income tax]	1,573.83	1,339.80	401.83
	1,573.83	**1,339.80**	**401.83**

Note - 14
Deferred tax assets (net)

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Deferred tax assets:			
Provision for contingencies	-	0.96	19.66
Impairment loss allowance	1,306.77	1,540.30	433.71
Disallowances under section 40A(7) of the Income-tax Act, 1961	38.81	43.31	34.17
Disallowances under section 43B of the Income-tax Act, 1961	18.91	24.01	11.73
Depreciation and amortisation	7.37	-	-
Tax losses carried forward	-	-	48.08
Financial liabilities measured at amortised cost	-	32.78	-
Lease equalisation reserve	-	-	10.99
Financial assets measured at amortised cost	119.43	191.10	10.72
Share based payments	73.89	166.14	207.42
Minimum alternate tax credit entitlement	62.93	62.93	65.75
Effect of reversal of financing component from revenue	3.41	-	-
Lease liabilities	1.90	-	-
Others	24.76	31.11	-
Deferred tax assets (A):	**1,658.18**	**2,092.64**	**842.23**
Deferred tax liabilities:			
Financial assets measured at fair value through profit and loss	-	-	0.80
Financial assets measured at fair value through other comprehensive income	17.67	26.65	-
Depreciation and amortisation	112.65	148.51	54.09
Derecogntion of financial instruments measured under amortised cost category	223.17	1,122.42	103.44
Financial assets measured at amortised cost	4.16	-	16.32
Others	0.37	-	-
Financial liabilities measured at amortised cost	-	-	31.77
Deferred tax liability (B):	**358.02**	**1,297.58**	**206.42**
Deferred tax assets (net) (C = A-B)	**1,300.16**	**795.06**	**635.81**

(All amounts are in Indian Rupees in million unless stated otherwise)

Note - 14
Deferred tax assets (net) (continued)

Movement in deferred tax assets (net) for the year ended 31 March 2021

Particulars	As at 1 April 2020	Recognised in profit and loss	Recognised in other comprehensive income	Other movement	As at 31 March 2021
Deferred tax assets:					
Provision for contingencies	0.96	(0.96)	-	-	-
Impairment loss allowance	1,540.30	(233.53)	-	-	1,306.77
Disallowances under section 40A(7) of the Income-tax Act, 1961	43.31	(4.50)	-	-	38.81
Disallowances under section 43B of the Income-tax Act, 1961	24.01	10.20	(15.30)	-	18.91
Depreciation and amortisation	-	7.37	-	-	7.37
Financial liabilities measured at amortised cost	32.78	(32.78)	-	-	-
Financial assets measured at amortised cost	191.10	(71.67)	-	-	119.43
Share based payments	166.14	(92.25)	-	-	73.89
Minimum alternate tax credit entitlement	62.93	-	-		62.93
Effect of reversal of financing component from revenue	-	3.41	-	-	3.41
Lease liabilities	-	1.90	-	-	1.90
Others	31.11	(6.35)	-	-	24.76
Total (A):	**2,092.64**	**(419.16)**	**(15.30)**	**-**	**1,658.18**
Deferred tax liabilities:					
Financial assets measured at fair value through other comprehensive income	26.65	(8.98)	-	-	17.67
Depreciation and amortisation	148.51	(35.86)	-		112.65
Derecogntion of financial instruments measured under amortised cost category	1,122.42	(899.25)	-	-	223.17
Financial assets measured at fair value through other comprehensive income	-	8.99	(8.99)	-	-
Financial assets measured at amortised cost	-	4.16	-	-	4.16
Others	-	0.37	-	-	0.37
Total (B):	**1,297.58**	**(930.57)**	**(8.99)**	**-**	**358.02**
Deferred tax assets (net) (A-B)	**795.06**	**511.41**	**(6.31)**	**-**	**1,300.16**

Movement in deferred tax assets (net) for the year ended 31 March 2020

Particulars	As at 1 April 2019	Recognised in profit and loss	Recognised in other comprehensive income	Other movement	As at 31 March 2020
Deferred tax assets:					
Provision for contingencies	19.66	(18.70)	-	-	0.96
Impairment loss allowance	433.71	1,106.59	-	-	1,540.30
Disallowances under section 40A(7) of the Income-tax Act, 1961	34.17	9.14	-	-	43.31
Disallowances under section 43B of the Income-tax Act, 1961	11.73	10.65	1.64	-	24.01
Tax losses carried forward	48.08	(48.08)	-	-	-
Financial assets measured at amortised cost	10.72	180.38	-	-	191.10
Financial liabilities measured at amortised cost	-	32.78	-	-	32.78
Lease equalisation reserve	10.99	(10.99)	-	-	-
Share based payments	207.42	(41.28)	-	-	166.14
Minimum alternate tax credit entitlement	65.75	(2.82)	-	-	62.93
Others	-	31.11	-	-	31.11
Total (A):	**842.23**	**1,248.78**	**1.64**	**-**	**2,092.64**
Deferred tax liabilities:					
Financial assets measured at fair value through profit and loss	0.80	(0.80)	-	-	-
Depreciation and amortisation	54.09	(46.82)	-	141.24	148.51
Financial assets measured at fair value through other comprehensive income	-	(26.65)	26.65	- -	-
Derecogntion of financial instruments measured under amortised cost category	103.44	1,018.99	-	- -	1,122.42
Financial assets measured at amortised cost	16.32	(16.32)	-	-	-
Financial liabilities measured at amortised cost	31.77	(31.77)	-	-	-
Total (B):	**206.42**	**923.28**	**26.65**	**141.24**	**1,297.58**
Deferred tax assets (net) (A-B)	**635.81**	**325.50**	**(25.01)**	**(141.24)**	**795.06**

(All amounts are in Indian Rupees in million unless stated otherwise)

Note - 14
Deferred tax assets (net) (continued)

Movement in deferred tax assets (net) for the year ended 31 March 2019

Movement in deferred tax assets (net)	As at 1 April 2018	Recognised in profit and loss	Recognised in other comprehensive income	Other movement	Balance as at 31 March 2019
Deferred tax assets:					
Provision for contingencies	2.62	17.04	-	-	19.66
Impairment loss allowance	179.39	254.32	-	-	433.71
Disallowances u/s. 40A(7) of the Income-tax Act, 1961	18.72	15.45	-	-	34.17
Disallowances u/s. 43B of the Income-tax Act, 1961	5.37	3.30	3.06	-	11.73
Tax losses carried forward	57.70	(9.62)	-	-	48.08
Financial assets measured at amortised cost	114.47	(103.75)	-	-	10.72
Lease equalisation reserve	4.00	6.99	-	-	10.99
Share based payments	86.09	121.33	-	-	207.42
Minimum alternate tax credit entitlement	62.93	2.82	-	-	65.75
Total (A):	**531.29**	**307.88**	**3.06**	**-**	**842.23**
Deferred tax liabilities:					
Financial assets measured at fair value through profit and loss	7.09	(6.29)	-	-	0.80
Difference between book balance and tax balance of fixed assets	31.62	22.47	-	-	54.09
Derecogntion of financial instruments measured under amortised cost category	-	103.44	-	-	103.44
Financial assets measured at amortised cost	-	16.32	-	-	16.32
Financial liabilities measured at amortised cost	14.01	17.76	-	-	31.77
Total (B):	**52.72**	**153.70**	**-**	**-**	**206.42**
Deferred tax assets (net) (A-B)	**478.57**	**154.18**	**3.06**	**-**	**635.81**

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Note - 15
Investment accounted for using equity method

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Investment in associate (unquoted, at cost)			
Nil (31 March 2020: Nil and 31 March 2019: 2,137,981) equity shares of ₹ 10 each, of Transerv Limited	-	-	357.04
Less : Share of loss in associate (refer note - 62C)		-	(0.28)
	-	-	**356.76**

Notes:

a) Equity investments in associate are measured at cost as per provision of Ind AS 27 on 'Seperate Financial Statements'.

b) The Group had acquired 33% equity stake of "Transerv Limited" (formerly known as "Transerv Private Limited") (hereinafter referred to as "Investee") on 29 March 2019. The Group exercises significant influence over the investee and accordingly, the same has been accounted for as an "Associate" as per the provisions of Ind AS 28 "Investments in associates and joint venture".

Dhani Loans and Services Limited
(Formerly known as Indiabulls Consumer Finance Limited)
Annexure - V
Summary of significant accounting policies and other explanatory information to Reformatted Consolidated Ind AS Financial Information
(All amounts are in Indian Rupees in million unless stated otherwise)

Note - 16A
Property, plant and equipment

	Furniture and fixtures	Vehicles#	Office equipment	Computers	Server and networks	Freehold land	Total
Gross block (at cost)							
As at 1 April 2018	43.40	41.52	30.08	146.38	-	-	**261.38**
Additions during the year	36.86	5.41	36.58	150.73	-	1.30	230.88
Sales/adjustment during the year	-	-	0.24	0.08	-	-	0.32
As at 01 April 2019	**80.26**	**46.93**	**66.42**	**297.03**	**-**	**1.30**	**491.94**
Addition on acquisition of subsidiary	0.03	-	0.12	1.91	-	-	2.06
Additions during the year	295.95	5.40	63.13	62.73	28.72	-	455.93
Sales/adjustment during the year	0.81	5.75	0.50	0.27	-	-	7.33
As at 31 March 2020	**375.43**	**46.58**	**129.17**	**361.40**	**28.72**	**1.30**	**942.60**
Additions during the year	163.47	-	15.00	7.53	15.33	**-**	**201.33**
Sales/adjustment during the year	77.29	8.25	20.31	7.88	-	-	**113.73**
As at 31 March 2021	**461.61**	**38.33**	**123.86**	**361.05**	**44.05**	**1.30**	**1,030.20**
Accumulated depreciation							
As at 1 April 2018	2.90	6.26	3.62	24.34	-	-	**37.12**
Addition on acquisition of subsidiary	-	-	-	-	-	-	-
Depreciation during the year	6.67	7.56	9.92	59.35	-	-	83.50
Sales/adjustment during the year	-	-	0.22	0.08	-	-	0.30
As at 01 April 2019	**9.57**	**13.82**	**13.32**	**83.61**	**-**	**-**	**120.32**
Addition on acquisition of subsidiary	0.02	-	0.08	1.22	-	-	1.32
Depreciation during the year	24.14	7.79	22.15	92.46	2.15	-	148.69
Sales/adjustment during the year	0.63	1.09	0.49	0.15	-	-	2.36
As at 31 March 2020	**33.10**	**20.52**	**35.06**	**177.14**	**2.15**	**-**	**267.97**
Addition on acquisition of subsidiary	-	-	-	-	-	-	-
Depreciation during the year	44.84	7.01	24.85	88.66	6.04	-	171.40
Sales/adjustment during the year	12.31	4.24	7.53	5.07	-	-	29.15
As at 31 March 2021	**65.63**	**23.29**	**52.38**	**260.73**	**8.19**	**-**	**410.22**
Net Block as at 01 April 2019	**70.69**	**33.11**	**53.10**	**213.42**	**-**	**1.30**	**371.62**
Net Block as at 31 March 2020	**342.33**	**26.06**	**94.11**	**184.26**	**26.57**	**1.30**	**674.63**
Net Block as at 31 March 2021	**395.98**	**15.04**	**71.48**	**100.32**	**35.86**	**1.30**	**619.98**

Includes vehicles having carrying value of ₹ 4.68 million (31 March 2020: ₹ 6.18 millions and 31 March 2019: ₹ 6.18 millions) which are hypothecated to banks against the respective loans.
(a) Refer note Note - 47B of notes to accounts for disclosure of capital commitments.

(All amounts are in Indian Rupees in million unless stated otherwise)

Note - 16B
Right of use assets

	Building office premises
As at 1 April 2019	**-**
Reclassified on account of adoption of Ind AS 116	2,338.97
Additions during the year	515.99
Deletion	(138.29)
Depreciation during the year	(434.64)
As at 31 March 2020	**2,282.03**
Additions during the year	850.58
Deletion	(1,607.93)
Depreciation during the year	(309.23)
As at 31 March 2021	**1,215.45**

Note - 16C
Intangible assets under development

As at 01 April 2018	**6.82**
Additions during the year	125.00
Capitalised during the year	(107.21)
As at 31 March 2019	**24.61**
As at 01 April 2019	**24.61**
Additions during the year	78.53
Capitalised during the year	(48.88)
As at 31 March 2020	**54.26**
Additions during the year	39.09
Capitalised during the year	(55.30)
As at 31 March 2021	**38.05**
As at 31 March 2019	**24.61**
As at 31 March 2020	**54.26**
As at 31 March 2021	**38.05**

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(All amounts are in Indian Rupees in million unless stated otherwise)

Note - 16D
Goodwill

	Goodwill
As at 01 April 2018	**-**
Add: Adjustment on acquisition of subsidiary	-
Less: Adjustment on disposal of subsidiary	-
As at 31 March 2019	**-**
As at 01 April 2019	**-**
Add: Adjustment on acquisition of subsidiary	358.67
Less: Adjustment on disposal of subsidiary	-
As at 31 March 2020	**358.67**
Add: Adjustment on acquisition on subsidiary	289.63
Less: Adjustment on disposal of subsidiary	-
As at 31 March 2021	**648.30**

Note - 16E

Other intangible assets	Software
Gross block (at cost)	
As at 01 April 2018	**399.78**
Addition on acquisition of subsidiary	-
Additions during the year	348.12
Sales/adjustment during the year	-
As at 31 March 2019	**747.90**
As at 01 April 2019	**747.90**
Addition on acquisition of subsidiary	146.75
Additions during the year	778.66
Sales/adjustment during the year	-
As at 31 March 2020	**1,673.31**
Addition on acquisition of subsidiary	-
Additions during the year	64.96
Sales/adjustment during the year	-
As at 31 March 2021	**1,738.27**

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(All amounts are in Indian Rupees in million unless stated otherwise)

Note - 16E

Other intangible assets (continued)	**Software**
Accumulated amortisation	
As at 01 April 2018	66.41
Addition on acquisition of subsidiary	-
Amortisation during the year	145.08
Impairment during the year	-
Sales/adjustment during the year	-
As at 31 March 2019	**211.49**
As at 01 April 2019	**211.49**
Addition on acquisition of subsidiary	90.60
Amortisation during the year	412.02
Impairment during the year	1.38
Sales/adjustment during the year	-
As at 31 March 2020	**715.49**
Addition on acquisition of subsidiary	-
Amortisation during the year	250.80
Impairment during the year	2.76
Sales/adjustment during the year	-
As at 31 March 2021	**969.05**
Net Block as at 01 April 2019	**536.41**
Net Block as at 31 March 2020	**957.82**
Net Block as at 31 March 2021	**769.22**

Note - 17
Other non-financial assets

	As at 31 March 2021	**As at 31 March 2020**	**As at 31 March 2019**
Capital advances	1,253.22	1,359.87	181.40
Prepaid expenses	77.97	153.82	338.11
Balance with government authorities	514.65	549.66	334.01
Advances to suppliers	118.97	528.17	268.02
Unamortised customer and card acquisition cost	1,204.13	97.80	-
Others	85.39	3.98	3.17
	3,254.33	**2,693.30**	**1,124.71**

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(All amounts are in Indian Rupees in million unless stated otherwise)

Note - 18
Derivative financial instruments

Particular	As at 31 March 2021		As at 31 March 2020		As at 31 March 2019	
	Notional amounts	Liabilities	Notional amounts	Liabilities	Notional amounts	Liabilities
Part I						
Notional amounts						
Equity linked derivatives	-	-	-	-	-	-
Index linked derivatives	-	-	-	-	1,228.22	20.94
Total derivative financial instruments	**-**	**-**	**-**	**-**	**1,228.22**	**20.94**
Fair value						
Equity linked derivatives	-	-	-	-	-	-
Index linked derivatives	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**
Part II						
Included are derivatives held for hedging and risk management purpose as follows:						
Notional amounts						
(i) Fair value headging						
- Equity linked derivatives	-	-	-	-	-	-
(ii) Undesignated derivatives						
- Index linked derivatives	-	-	-	-	1,228.22	20.94
Total derivative financial instruments	**-**	**-**	**-**	**-**	**1,228.22**	**20.94**

Note - 19
Trade payables

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Total outstanding due to micro enterprises and small enterprises (i)	-	0.24	-
Total outstanding due to creditors other than micro enterprises and small enterprises	526.45	720.54	585.42
	526.45	**720.78**	**585.42**

(i) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED):
Details of trade payable dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Principal amount remaining unpaid to any supplier and service provider at the end of each reporting year	-	0.24	-
Interest due thereon	-	-	-
Interest paid by the Group in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during year) but without adding the interest specified under MSMED Act, 2006	-	-	-
Interest accrued and remaining unpaid as at end of the year	-	-	-

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group. This has been relied upon by the auditors.

Note - 20
Other payables

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Total outstanding due to micro enterprises and small enterprises (i)	-	-	-
Total outstanding due to creditors other than micro enterprises and small enterprises	902.37	339.83	219.19
	902.37	**339.83**	**219.19**

(i) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED):
Details of other payable dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Principal amount remaining unpaid to any supplier and service provider at the end of each reporting year	-	-	-
Interest due thereon	-	-	-
Interest paid by the Group in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-	-
Interest accrued and remaining unpaid as at end of the year	-	-	-

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group. This has been relied upon by the auditors.

Dhani Loans and Services Limited
(Formerly known as Indiabulls Consumer Finance Limited)
Annexure - V
Summary of significant accounting policies and other explanatory information to Reformatted Consolidated Ind AS Financial Information
(All amounts are in Indian Rupees in million unless stated otherwise)

Note - 21
Debt securities (at amortised cost)

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Secured			
Non- convertible debentures - secured (i)	7,706.03	8,042.78	7,889.62
Unsecured			
Commercial papers (unsecured) (ii)	-	-	9,500.00
Total	**7,706.03**	**8,042.78**	**17,389.62**
Debt securities in India	7,706.03	8,042.78	17,348.62
Debt securities outside India	-	-	-
Total	**7,706.03**	**8,042.78**	**17,348.62**

Notes:
(i). Secured redeemable non convertible debentures (payable at par unless otherwise stated) include:

Particular	Redemption date	As at 31 March 2021			
		Number of NCDs	Amount	Impact of interest accrued and Ind AS	Total outstanding amount
Interest rate :- 10.75% Face Value :- ₹ 1000.00 Issue Date :- 8 March 2019	8-May-2021	3,774,710	3,774.71	24.54	3,799.25
Interest rate :- 10.75% (Effective Yield) Face Value :- ₹ 1000.00 Issue Date :- 8 March 2019	8-May-2021	246,579	246.58	57.69	304.27
Interest rate :- 10.40% Face Value :- ₹ 1000.00 Issue Date :- 8 March 2019	8-May-2022	324,981	324.98	0.18	325.16
Interest rate :- 10.90% Face Value :- ₹ 1000.00 Issue Date :- 8 March 2019	8-May-2022	755,369	755.37	0.94	756.31
Interest rate :- 10.90% (Effective Yield) Face Value :- ₹ 1000.00 Issue Date :- 8 March 2019	8-May-2022	235,842	235.84	54.74	290.58
Interest rate :- 10.50% Face Value :- ₹ 1000.00 Issue Date :- 8 March 2019	8-Mar-2024	470,084	470.08	(1.71)	468.37
Interest rate :- 11.00% Face Value :- ₹ 1000.00 Issue Date :- 8 March 2019	8-Mar-2024	260,712	260.71	(0.77)	259.94
Interest rate :- 11.00% (Effective Yield) Face Value :- ₹ 1000.00 Issue Date :- 8 March 2019	8-Mar-2024	193,776	193.78	44.59	238.37
Interest rate :- 10.27% Face Value :- ₹ 1000.00 Issue Date :- 27 June 2019	27-Jun-2021	71,822	71.82	5.30	77.12
Interest rate :- 10.25% (Effective Yield) Face Value :- ₹ 1000.00 Issue Date :- 27 June 2019	27-Jun-2021	34,800	34.80	6.28	41.08
Interest rate :- 9.95% Face Value :- ₹ 1000.00 Issue Date :- 27 June 2019	27-Jun-2022	123,709	123.71	(2.85)	120.86
Interest rate :- 10.41% Face Value :- ₹ 1000.00 Issue Date :- 27 June 2019	27-Jun-2022	122,095	122.10	7.03	129.13
Interest rate :- 10.40% (Effective Yield) Face Value :- ₹ 1000.00 Issue Date :- 27 June 2019	27-Jun-2022	42,780	42.78	7.10	49.88
Interest rate :- 10.13% Face Value :- ₹ 1000.00 Issue Date :- 27 June 2019	27-Jun-2024	156,425	156.43	(5.76)	150.67
Interest rate :- 10.61% Face Value :- ₹ 1000.00 Issue Date :- 27 June 2019	27-Jun-2024	128,003	128.00	5.80	133.80
Interest rate :- 10.60% (Effective Yield) Face Value :- ₹ 1000.00 Issue Date :- 27 June 2019	27-Jun-2024	43,856	43.86	6.84	50.70
Interest rate :- 10.12% Face Value :- ₹ 1000.00 Issue Date :- 6 September 2019	6-Sep-2021	12,129	12.13	0.68	12.81
Interest rate :- 10.10% (Effective Yield) Face Value :- ₹ 1000.00 Issue Date :- 6 September 2019	6-Sep-2021	4,810	4.81	0.77	5.58
Interest rate :- 9.81% Face Value :- ₹ 1000.00 Issue Date :- 6 September 2019	6-Sep-2022	29,704	29.70	(0.00)	29.70

(All amounts are in Indian Rupees in million unless stated otherwise)

Note - 21
Debt securities (at amortised cost) (continued):

Particular	Redemption date	As at 31 March 2021			
		Number of NCDs	Amount	Impact of interest accrued and Ind AS	Total outstanding amount
Interest rate :- 10.27% Face Value :- ₹ 1000.00 Issue Date :- 6 September 2019	6-Sep-2022	22,470	22.47	1.19	23.66
Interest rate :- 10.25% (Effective Yield) Face Value :- ₹ 1000.00 Issue Date :- 6 September 2019	6-Sep-2022	8,556	8.56	1.35	9.91
Interest rate :- 10.04% Face Value :- ₹ 1000.00 Issue Date :- 6 September 2019	6-Sep-2024	37,907	37.91	(0.12)	37.79
Interest rate :- 10.52% Face Value :- ₹ 1000.00 Issue Date :- 6 September 2019	6-Sep-2024	118,099	118.10	6.04	124.14
Interest rate :- 10.50% (Effective Yield) Face Value :- ₹ 1000.00 Issue Date :- 6 September 2019	6-Sep-2024	10,362	10.36	1.64	12.00
Interest rate :- 9.50% Face Value :- ₹ 10,00,000.00 Issue Date :- 17 November 2020	17-May-2022	250	250.00	4.96	254.96
Total		**7,229,830.00**	**7,479.59**	**226.44**	**7,706.03**

Particular	Redemption date	As at 31 March 2020			
		Number of NCDs	Amount	Impact of interest accrued and Ind AS	Total outstanding amount
Interest rate :- 10.75% Face Value :- ₹ 1000.00 Issue Date :- 8 March 2019	8-May-2021	3,774,710	3,774.71	(7.41)	3,767.30
Interest rate :- 10.75% (Effective Yield) Face Value :- ₹ 1000.00 Issue Date :- 8 March 2019	8-May-2021	246,579	246.58	26.11	272.69
Interest rate :- 10.40% Face Value :- ₹ 1000.00 Issue Date :- 8 March 2019	8-May-2022	324,981	324.98	(1.73)	323.25
Interest rate :- 10.90% Face Value :- ₹ 1000.00 Issue Date :- 8 March 2019	8-May-2022	755,369	755.37	(3.50)	751.87
Interest rate :- 10.90% (Effective Yield) Face Value :- ₹ 1000.00 Issue Date :- 8 March 2019	8-May-2022	235,842	235.84	24.70	260.54
Interest rate :- 10.50% Face Value :- ₹ 1000.00 Issue Date :- 8 March 2019	8-Mar-2024	470,084	470.08	(3.50)	466.58
Interest rate :- 11.00% Face Value :- ₹ 1000.00 Issue Date :- 8 March 2019	8-Mar-2024	260,712	260.71	(1.76)	258.95
Interest rate :- 11.00% (Effective Yield) Face Value :- ₹ 1000.00 Issue Date :- 8 March 2019	8-Mar-2024	193,776	193.78	20.08	213.85
Interest rate :- 10.00% (Effective Yield) Face Value :- ₹ 1000.00 Issue Date :- 27 June 2019	31-Jul-2020	1 ,24,154	124.15	7.11	131.27
Interest rate :- 10.27% Face Value :- ₹ 1000.00 Issue Date :- 27 June 2019	27-Jun-2021	71,822	71.82	3.00	74.82
Interest rate :- 10.25% (Effective Yield) Face Value :- ₹ 1000.00 Issue Date :- 27 June 2019	27-Jun-2021	34,800	34.80	1.41	36.21
Interest rate :- 9.95% Face Value :- ₹ 1000.00 Issue Date :- 27 June 2019	27-Jun-2022	123,709	123.71	(5.28)	118.43
Interest rate :- 10.41% Face Value :- ₹ 1000.00 Issue Date :- 27 June 2019	27-Jun-2022	122,095	122.10	4.31	126.41
Interest rate :- 10.40% (Effective Yield) Face Value :- ₹ 1000.00 Issue Date :- 27 June 2019	27-Jun-2022	42,780	42.78	1.46	44.24
Interest rate :- 10.13% Face Value :- ₹ 1000.00 Issue Date :- 27 June 2019	27-Jun-2024	156,425	156.43	(7.61)	148.81

(All amounts are in Indian Rupees in million unless stated otherwise)

Note - 21
Debt securities (at amortised cost) (continued):

Particular	Redemption date	As at 31 March 2020			
		Number of NCDs	Amount	Impact of interest accrued and Ind AS	Total outstanding amount
Interest rate :- 10.61% Face Value :- ₹ 1000.00 Issue Date :- 27 June 2019	27-Jun-2024	128,003	128.00	3.95	131.95
Interest rate :- 10.60% (Effective Yield) Face Value :- ₹ 1000.00 Issue Date :- 27 June 2019	27-Jun-2024	43,856	43.86	1.30	45.16
Interest rate :- 10.00% (Effective Yield) Face Value :- ₹ 1000.00 Issue Date :- 6 September 2019	10-Oct-2020	5 ,90,347	590.35	28.39	618.74
Interest rate :- 10.12% Face Value :- ₹ 1000.00 Issue Date :- 6 September 2019	6-Sep-2021	12,129	12.13	0.56	12.69
Interest rate :- 10.10% (Effective Yield) Face Value :- ₹ 1000.00 Issue Date :- 6 September 2019	6-Sep-2021	4,810	4.81	0.22	5.03
Interest rate :- 9.81% Face Value :- ₹ 1000.00 Issue Date :- 6 September 2019	6-Sep-2022	29,704	29.70	(0.17)	29.54
Interest rate :- 10.27% Face Value :- ₹ 1000.00 Issue Date :- 6 September 2019	6-Sep-2022	22,470	22.47	0.93	23.40
Interest rate :- 10.25% (Effective Yield) Face Value :- ₹ 1000.00 Issue Date :- 6 September 2019	6-Sep-2022	8,556	8.56	0.38	8.94
Interest rate :- 10.04% Face Value :- ₹ 1000.00 Issue Date :- 6 September 2019	6-Sep-2024	37,907	37.91	(0.25)	37.66
Interest rate :- 10.52% Face Value :- ₹ 1000.00 Issue Date :- 6 September 2019	6-Sep-2024	118,099	118.10	5.43	123.53
Interest rate :- 10.50% (Effective Yield) Face Value :- ₹ 1000.00 Issue Date :- 6 September 2019	6-Sep-2024	10,362	10.36	0.56	10.92
Total		**7,229,580**	**7,944.09**	**98.69**	**8,042.78**

Particular	Redemption date	As at 31 March 2019			
		Number of NCDs	Amount	Impact of interest accrued and Ind AS	Total outstanding amount
Interest rate :- 10.60% Face Value :- ₹ 1,000,000.00 Issue Date :- 29 March 2019	29-Mar-2021	1,750	1,750.00	(57.27)	1,692.73
Interest rate :- 10.75% Face Value :- ₹ 1000.00 Issue Date :- 8 March 2019	8-May-2021	3,774,710	3,774.71	(38.75)	3,735.96
Interest rate :- 10.75% (Effective Yield) Face Value :- ₹ 1000.00 Issue Date :- 8 March 2019	8-May-2021	246,579	246.58	(2.68)	243.90
Interest rate :- 10.40% Face Value :- ₹ 1000.00 Issue Date :- 8 March 2019	8-May-2022	324,981	324.98	(3.46)	321.52
Interest rate :- 10.90% Face Value :- ₹ 1000.00 Issue Date :- 8 March 2019	8-May-2022	755,369	755.37	(7.80)	747.57
Interest rate :- 10.90% (Effective Yield) Face Value :- ₹ 1000.00 Issue Date :- 8 March 2019	8-May-2022	235,842	235.84	(2.58)	233.26
Interest rate :- 10.50% Face Value :- ₹ 1000.00 Issue Date :- 8 March 2019	8-Mar-2024	470,084	470.08	(5.04)	465.04
Interest rate :- 11.00% Face Value :- ₹ 1000.00 Issue Date :- 8 March 2019	8-Mar-2024	260,712	260.71	(2.70)	258.01
Interest rate :- 11.00% (Effective Yield) Face Value :- ₹ 1000.00 Issue Date :- 8 March 2019	8-Mar-2024	193,776	193.78	(2.14)	191.64
Total		**6,263,803**	**8,012.05**	**(122.43)**	**7,889.62**

Non-convertible debentures are secured by way of first ranking pari-passu charge on the current assets (including investments) of the holding Company, both present and future; and on present and future loan assets of the Holding company, including all monies receivable for the principal amount and interest thereon.

Interest accrued on Non -convertible debenture of ₹ 75.06 millions and ₹ 41.00 millions for the FY 2019-20 and FY 2018-19 respectively has been re-grouped from Other financial liabilities to Debt securities.

(All amounts are in Indian Rupees in million unless stated otherwise)

Note - 21
Debt securities (at amortised cost) (continued):

Unsecured commercial papers:

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
This amount is repayable in one instalment in June 2019.	-	-	500.00
This amount is repayable in one instalment in May 2019.	-	-	4,500.00
This amount is repayable in one instalment in May 2019.	-	-	1,250.00
This amount is repayable in one instalment in June 2019.	-	-	2,000.00
This amount is repayable in one instalment in May 2019.	-	-	1,250.00
Total	**-**	**-**	**9,500.00**

Commercial paper carried an interest in the range of 8.75 % per annum to 9.50% per annum

Note - 22
Borrowings (other than debt securities) (at amortised cost)

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Term loans			
- From banks - secured (i)	13,887.37	22,723.38	42,105.50
- From financial institution - secured (i)	5,858.09	7,510.20	7,944.06
Loans from related parties			
- Ultimate Holding Company of Group- unsecured (ii)	-	793.00	6,447.00
- From Fellow Subsidiary Companies- unsecured (ii)	3,525.00	-	-
Loans repayable on demand from banks- secured (iii)	50.00	250.77	1,472.96
Bank overdraft-secured (iv)	-	8.24	8,170.00
Vehicle loans from bank - secured (v)	1.50	3.51	10.18
Liability against securitised assets - secured (vii)	4,083.87	9,215.61	4,082.85
Total	**27,405.83**	**40,504.71**	**70,232.55**
Borrowings in India	27,405.83	40,504.71	70,151.75
Borrowings outside India	-	-	-
Total	**27,405.83**	**40,504.71**	**70,151.75**

(i) Term loans from banks and financial institutions includes:

Particulars	Security	As at 31 March 2021		
		Amount	Impact of interest accrued and Ind AS	Total outstanding amount
Canara Bank (eSyndicate Bank) : This loan is repayable in 16 quarterly equated instalments with moratorium period of 12 months from the date of disbursement. Loan repayment commencing from December 2018 with last instalment falling due in year 2022-23.	First pari passu charge over standard receivables and current assets (including cash & cash equivalents).	500.00	(0.12)	499.88
Indian Overseas Bank : This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	First pari passu charge over book debts/ receivables/ loan portfolio/ all current assets (inculding investments in liquid mutual fund inculding cash & cash equivalents).	3,000.00	(5.43)	2,994.57
Bank of Baroda (eVijaya Bank) : This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	First pari passu charge over receivables & current assets (including cash & cash equivalents and investments).	3,000.00	(5.18)	2,994.82
Punjab & Sind Bank : This loan is repayable in 2 equated annual instalments with moratorium period of 36 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	First pari passu charge over receivables & current assets (including cash & cash equivalents and investments).	5,000.00	(0.58)	4,999.42
Union Bank of India : This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from June 2022 with last instalment falling due in year 2023-24.	First pari passu charge on standard receivables and current assets.	1,500.00	(2.09)	1,497.91

Note - 22
Borrowings (other than debt securities) (at amortised cost) (continued):

Particulars	Security	As at 31 March 2021		
		Amount	Impact of interest accrued and Ind AS	Total outstanding amount
RBL Bank : This loan is repayable in 13 equated quarterly instalments with first instalment due at the end of 3 months from the date of disbursement. Loan repayment commencing from September 2018 with last instalment falling due in year 2021-22.	Pari passu charge on loans and advances, receivables & current assets (inculidng cash and cash equivalents & investment in debt mutual fund).	153.85	(0.06)	153.79
National Bank for Agriculture and Rural Development : This loan is repayable in five years with instalments of ₹ 7,500.00 lakh each to be paid for the first six instalments and instalments of ₹ 1,000.00 lakh each to be paid for the last five instalments. Loan repayment commencing from January 2019 with last instalment falling due in year 2023-24.	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	1,250.00	19.78	1,269.78
National Bank for Agriculture and Rural Development : This loan is repayable in five years with instalments of ₹ 4,500.00 lakh each to be paid for the first six instalments and instalments of ₹ 600.00 lakh each to be paid for the last five instalments. Loan repayment commencing from July 2019 with last instalment falling due in year 2024-25.	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	1,200.00	18.21	1,218.21
National Bank for Agriculture and Rural Development : This loan is repayable in five years with instalments of ₹ 5,460.00 lakh each to be paid for the first six instalments and instalments of ₹ 728.00 lakh each to be paid for the last five instalments. Loan repayment commencing from July 2019 with last instalment falling due in year 2024-25.	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	1,456.00	22.13	1,478.13
South Indian Bank : This loan is repayable in 3 equated instalments of ₹ 2,500 lakh each at the end of 3rd, 4th and 5th year after a moratorium period of 24 months.	First pari passu charge over loans and advances, receivables & other current assets (including cash & cash equivalents and investrnents in debt mutual funds).	750.00	(3.01)	746.99
National Bank for Agriculture and Rural Development : This loan is repayable in 20 equated quaterly instalments Loan repayment commencing from March 2021 with last instalment falling due in year 2025-26.	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	1,900.00	(8.04)	1,891.96
Total		**19,709.85**	**35.61**	**19,745.46**

Particulars	Security	As at 31 March 2020		
		Amount	Impact of interest accrued and Ind AS	Total outstanding amount
Canara Bank (eSyndicate Bank) : This loan is repayable in 16 quarterly equated instalments with moratorium period of 12 months from the date of disbursement. Loan repayment commencing from December 2018 with last instalment falling due in year 2022-23.	First pari passu charge over standard receivables and current assets (including cash & cash equivalents).	625.00	(0.33)	624.67
Indian Overseas Bank : This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	First pari passu charge over book debts/ receivables/ loan portfolio/ all current assets (inculding investments in liquid mutual fund inculding cash & cash equivalents).	3,000.00	(10.84)	2,989.16
Bank of Baroda (eVijaya Bank) : This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	First pari passu charge over receivables & current assets (including cash & cash equivalents and investments).	3,000.00	(10.36)	2,989.64

Note - 22
Borrowings (other than debt securities) (at amortised cost) (continued):

Particulars	Security	As at 31 March 2020		
		Amount	Impact of interest accrued and Ind AS	Total outstanding amount
Punjab & Sind Bank : This loan is repayable in 2 equated annual instalments with moratorium period of 36 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	First pari passu charge over receivables & current assets (including cash & cash equivalents and investments).	5,000.00	(1.18)	4,998.82
Union Bank of India : This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from June 2022 with last instalment falling due in year 2023-24.	First pari passu charge on standard receivables and current assets.	1,500.00	(3.31)	1,496.69
RBL Bank : This loan is repayable in 13 equated quarterly instalments with first instalment due at the end of 3 months from the date of disbursement. Loan repayment commencing from September 2018 with last instalment falling due in year 2021-22.	Pari passu charge on loans and advances, receivables & current assets (inculidng cash and cash equivalents & investment in debt mutual fund).	461.54	(0.67)	460.87
IndusInd Bank : This loan is repayable in 12 equated quarterly instalments which shall commence from the quarter end during which the limit is disbursed. Loan repayment commencing from December 2018 with last instalment falling due in year 2021-22.	First Pari passu charge on loans receivables, & all current assets (inculidng cash and cash equivalents) of the company, both present and future, and on present and future loan asset of the compay	1,000.00	(10.01)	989.99
IndusInd Bank : This loan is repaid in one instalment in September 2020.	First Pari passu charge on loans receivables, & all current assets (inculidng cash and cash equivalents) of the company, both present and future, and on present and future loan asset of the compay.	3,000.00	(57.82)	2,942.18
Yes bank : This loan is repayable in 18 equated monthly instalments after moratorium of 7 months. Loan repayment commencing from May 2019 with last instalment falling due in year 2020-21.	Pari Pasu charge on all standard current and future book debts and receivables of the company with (including cash & cash equivalents).	3,888.89	(8.26)	3,880.63
National Bank for Agriculture and Rural Development : This loan is repayable in five years with instalments of ₹ 7,500.00 lakh each to be paid for the first six instalments and instalments of ₹ 1,000.00 lakh each to be paid for the last five instalments. Loan repayment commencing from January 2019 with last instalment falling due in year	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	2,750.00	42.99	2,792.99
National Bank for Agriculture and Rural Development : This loan is repayable in five years with instalments of ₹ 4,500.00 lakh each to be paid for the first six instalments and instalments of ₹ 600.00 lakh each to be paid for the last five instalments. Loan repayment commencing from July 2019 with last instalment falling due in year 2024-25.	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	2,100.00	31.06	2,131.06
National Bank for Agriculture and Rural Development : This loan is repayable in five years with instalments of ₹ 5,460.00 lakh each to be paid for the first six instalments and instalments of ₹ 728.00 lakh each to be paid for the last five instalments. Loan repayment commencing from July 2019 with last instalment falling due in year 2024-25.	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	2,548.00	38.14	2,586.14
Yes bank : This working capital demand loan is repaid in one instalment in June 2020.	Pari Pasu charge on all standard current and future book debts and receivables of the company inculding other current assets	600.00	5.45	605.45
South Indian Bank : This loan is repayable in 3 equated instalments of ₹ 2,500 lakh each at the end of 3rd, 4th and 5th year after a moratorium period of 24 months.	First pari passu charge over loans and advances, receivables & other current assets (including cash & cash equivalents and investrnents in debt mutual funds).	750.00	(4.72)	745.28
Total		**30,223.43**	**10.14**	**30,233.57**

Note - 22
Borrowings (other than debt securities) (at amortised cost) (continued):

Particulars	Security	As at		
		Amount	Impact of interest accrued and Ind AS	Total outstanding amount
RBL Bank : this loan is repayable in 13 quarterly equated instalments commencing from December 2017 with last instalment falling due in year 2019-20.	Pari passu charge on loans and advances, receivables & current assets (inculidng cash and cash equivalents & investment in debt mutual fund).	269.23	(0.64)	268.59
Canara Bank (eSyndicate Bank) : This loan is repayable in 16 quarterly equated instalments with moratorium period of 12 months from the date of disbursement. Loan repayment commencing from December 2018 with last instalment falling due in year 2022-23.	First pari passu charge over standard receivables and current assets (including cash & cash equivalents).	875.00	(0.63)	874.37
Indian Overseas Bank : This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	First pari passu charge over book debts/ receivables/ loan portfolio/ all current assets (inculding investments in liquid mutual fund inculding cash & cash equivalents).	3,000.00	(16.28)	2,983.72
Bank of Baroda (eVijaya Bank) : This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	First pari passu charge over receivables & current assets (including cash & cash equivalents and investments).	3,000.00	(15.55)	2,984.45
Punjab & Sind Bank : This loan is repayable in 2 equated annual instalments with moratorium period of 36 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	First pari passu charge over receivables & current assets (including cash & cash equivalents and investments).	5,000.00	(1.79)	4,998.21
Union Bank of India : This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from June 2022 with last instalment falling due in year 2023-24.	First pari passu charge on standard receivables and current assets.	1,500.00	(0.04)	1,499.96
RBL Bank : This loan is repayable in 13 equated quarterly instalments with first instalment due at the end of 3 months from the date of disbursement. Loan repayment commencing from September 2018 with last instalment falling due in year 2021-22.	Pari passu charge on loans and advances, receivables & current assets (inculidng cash and cash equivalents & investment in debt mutual fund).	769.23	(2.03)	767.20
RBL Bank : This loan is repayable in 13 equated quarterly instalments with first instalment due at the end of 3 months from the date of disbursement. Loan repayment commencing from September 2017 with last instalment falling due in year 2020-21.	Pari passu charge on loans and advances, receivables & current assets (inculidng cash and cash equivalents & investment in debt mutual fund).	942.31	(1.59)	940.72
IndusInd Bank : This loan is repayable in 12 equated quarterly instalments which shall commence from the quarter end during which the limit is disbursed. Loan repayment commencing from December 2018 with last instalment falling due in year 2021-22.	First Pari passu charge on loans receivables, & all current assets (inculidng cash and cash equivalents) of the company, both present and future, and on present and future loan asset of the compay	1,666.67	(28.44)	1,638.23
IndusInd Bank : This loan is repaid in one instalment in September 2019.	First Pari passu charge on loans receivables, & all current assets (inculidng cash and cash equivalents) of the	3,000.00	0.74	3,000.74
Yes bank : This loan is repayable in 18 equated monthly instalments after moratorium of 7 months. Loan repayment commencing from May 2019 with last instalment falling due in year 2020-21.	Pari Pasu charge on all standard current and future book debts and receivables of the company with (including cash & cash equivalents).	10,000.00	(81.56)	9,918.44
National Bank for Agriculture and Rural Development : This loan is repayable in five years with instalments of ₹ 7,500.00 lakh each to be paid for the first six instalments and instalments of ₹ 1,000.00 lakh each to be paid for the last five instalments. Loan repayment commencing from January 2019 with last instalment falling due in year	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	4,250.00	60.58	4,310.58
National Bank for Agriculture and Rural Development : This loan is repayable in five years with instalments of ₹ 5,460.00 lakh each to be paid for the first six instalments and instalments of ₹ 728.00 lakh each to be paid for the last five instalments. Loan repayment commencing from July 2019 with last instalment falling due in year 2024-25.	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	3,640.00	(6.52)	3,633.48
Yes bank : This working capital demand loan is repaid in one instalment in Sep' 2019.	Pari Pasu charge on all standard current and future book debts and receivables of the company inculding other	10,000.00	(8.15)	9,991.85
South Indian Bank : This loan is repayable in 3 equated instalments of ₹ 2,500 lakh each at the end of 3rd, 4th and 5th year after a moratorium period of 24 months.	First pari passu charge over loans and advances, receivables & other current assets (including cash & cash equivalents and investrnents in debt mutual funds).	750.00	(6.44)	743.56
Lakshmi Vilas Bank : This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from June 2022 with last instalment falling due in year 2023-24.	First pari passu charge on standard receivables and current assets.	1,500.00	(4.54)	1,495.46
		50,162.44	(112.88)	50,049.56

(All amounts are in Indian Rupees in million unless stated otherwise)

Note - 22
Borrowings (other than debt securities) (at amortised cost) (continued):

(a) Interest rate on term loans varies from 8.15% to 10.75% per annum (31 March 2020 - 8.70% to 10.75% per annum and 31 March 2019 - 8.90% to 10.75% per annum).

(ii) Loan from related party carries rate of interest range between 8.25% per annum to 10.00% per annum and shall be repaid within 2 year to 5 years as per the terms of the agreement.

(iii) Loans repayable on demand from banks includes:

Particulars	**As at 31 March 2021**	**As at 31 March 2020**	**As at 31 March 2019**
Yes bank : This Cash credit facility is repayable on demand by the issuer bank. Pari passu charge on loans and advances, receivables & current assets (inculidng cash and cash equivalents & investment in debt mutual fund).	-	250.77	250.78
RBL Bank Limited : This Working capital demand loan is repayble between 7 days to 6 Months. Pari passu charge on loans and advances, receivables & current assets (inculidng cash and cash equivalents & investment in debt mutual fund).	50.00	-	-
Total	**50.00**	**250.77**	**250.78**

Interest rate on loans repayable on demand from banks are 9.80% per annum (31 March 2020 - 9.50% per annum and 31 March 2019 - 9.50% per annum).

(iv) The overdraft from bank are secured against pledge of fixed deposits of the Group (31 March 2019: pledge of fixed deposits and corporate guarantee of the Ultimate Holding Company) and carry interest rates of 9.30% per annum (31 March 2020: 9.30% per annum and 31 March 2019: 5.50% per annum). The overdraft from bank is repayable on demand.

There is no default as on the Balance Sheet date in repayment of the respective loan or interest amounts.

(v) Vehicle loans are secured against hypothecation of the vehicles purchased. The rate of interest of such term loans ranges between 8.75% to 10.30% per annum (as at 31 March 2020: 8.50% to 10.30% per annum and 31 March 2019: 7.75% to 10.30% per annum). The loans are repayable in equated monthly installments of 5 years. There are no continuing defaults as on the balance sheet date in repayment of the loans or interest amounts.

(vi) Interest accrued on borrowings other than debt securities amounting to ₹137.92 millions and ₹ 80.80 millions has been re-grouped from other financial liabilities to Borrowings (other than debt securities) for the FY 2019-20 and FY 2018-19 respectively.

(vii) Securitisation liabilities:

In the course of its finance activity, the Company makes transfers of financial assets, where legal rights to the cash flows from the asset are passed to the counterparty and where the Company retains the rights to the cash flows but assumes a responsibility to transfer them to the counterparty. Securitisation liabilities includes following arrangements:

Particulars	**As at 31 March 2021**	**As at 31 March 2020**	**As at 31 March 2019**
ICICI Bank	439.39	1,732.69	4,082.85
IDFC first bank	3,346.86	6,785.25	-
Axis Bank	297.62	697.67	-
Total	**4,083.87**	**9,215.61**	**4,082.85**

Interest rate on securitisation liabilities varies from 10.00% to 12.06% per annum (31 March 2020 - 10.00% to 12.06% per annum and 31 March 2019 - 10.00% to 12.06% per annum).

Note - 23
Lease Liabilities

	As at 31 March 2021	**As at 31 March 2020**	**As at 31 March 2019**
Lease liabilities (refer note - 46)	1,339.87	2,410.77	-
	1,339.87	**2,410.77**	**-**

(All amounts are in Indian Rupees in million unless stated otherwise)

Note - 24

Other financial liabilities

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Temporary overdraft (refer 'i' below)	-	1,089.83	4,050.18
Interest accrued on assigned loan	390.20	281.09	-
Expenses payable	178.71	143.68	-
Payable to directors	-	-	108.90
Others:			
- Amount payable on assigned/securitised loans (refer 'ii' below)	2,848.96	-	-
- Amount held on behalf of agents for remittance business	1.13	-	-
- Amount held on behalf of merchants from digital wallet business	38.29	-	-
- Other payable	422.38	269.70	136.90
	3,879.67	**1,784.30**	**4,295.98**

(i) Temporary overdraft as per books represent cheques issued in excess of funds in the bank

(ii) Amount payable on assigned/securitised loans represent the amount collected on sale down portfolio where cash flows are require to pass to the counterparty either through direct assignment or pass through credit.

(iii) Interest accrued on debt securities and borrowings (other than debt securities) for the FY 2019-20 and FY 2018-19 have been re-grouped from Other financial liabilities to Debt Securities (refer note no. 21 (i)) and Borrowing (other than debt securities) (refer note no. 22 (vi)).

Note - 25

Current tax liabilities (net)

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Provision for taxation	3.80	-	-
(Net of advance tax including tax deducted at source)			
	3.80	**-**	**-**

Note - 26

Provisions

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits:			
Provision for gratuity (refer note 50 (ii))	154.21	173.86	101.68
Provision for compensated absences	75.15	93.61	34.60
For others			
Provision for contingencies*	-	0.99	223.66
	229.36	**268.46**	**359.94**

* Disclosure under Ind AS - 37 "Provisions, Contingent Liabilities and Contingent Assets": Movements in provision for contingencies during the financial year, are set out below:

Particulars	Amount
Balance as at 1 April 2018	**137.79**
Additional provision recognised	221.22
Amounts used during the year	(135.35)
Balance as at 31 March 2019	**223.66**
Additional provision recognised	-
Amount used during the year	(222.67)
Balance as at 31 March 2020	**0.99**
Additional provision recognised	**-**
Amount used during the year	**(0.99)**
Balance as at 31 March 2021	**-**

Note - 27

Other non-financial liabilities

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Lease equalisation reserve	-	-	31.45
Payable to Ultimate Holding Company of Group for purchase of shares	-	-	55.00
Advance from customers	102.35	117.04	107.82
Statutory liabilities	81.25	499.35	232.70
	183.60	**616.39**	**426.97**

(All amounts are in Indian Rupees in million unless stated otherwise)

Note - 28
Equity share capital

	As at 31 March 2021		As at 31 March 2020		As at 31 March 2019	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
(i) Authorised						
Equity shares of face value of ₹ 10 each	80,000,000	800.00	80,000,000	800.00	80,000,000	800.00
	80,000,000	**800.00**	**80,000,000**	**800.00**	**80,000,000**	**800.00**

(ii) Issued, subscribed and paid up

	As at 31 March 2021		As at 31 March 2020		As at 31 March 2019	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Issued, subscribed and fully paid up:						
Equity shares of face value of ₹ 10 each	61,188,000	611.88	61,188,000	611.88	61,188,000	611.88
	61,188,000	**611.88**	**61,188,000**	**611.88**	**61,188,000**	**611.88**

(iii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the financial year :

Equity shares

	For the year ended 31 March 2021		For the year ended 31 March 2020		For the year ended 31 March 2019	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	61,188,000	611.88	61,188,000	611.88	24,551,565	245.52
Add: Issued during the year	-	-	-	-	36,636,435	366.36
Balance at the end of the year	**61,188,000**	**611.88**	**61,188,000**	**611.88**	**61,188,000**	**611.88**

(iv) Terms/rights attached to equity shares
The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to received remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(v) Shares held by shareholders each holding more than 5% shares and holding company:

No. of shareholders	As at 31 March 2021		As at 31 March 2020		As at 31 March 2019	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Dhani Services Limited (formerly, Indiabulls Ventures Limited) and its nominees (Ultimate Holding Company)	61,188,000	100%	61,188,000	100%	61,188,000	100%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(vi) The Company has not issued any bonus shares during the current year and five years immediately preceeding current year.

(vii) There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issue and bought back during the last five years.

Note - 29
Instruments entirely equity in nature

	As at 31 March 2021		As at 31 March 2020		As at 31 March 2019	
	No. of shares	Amount (Rs.)	No. of shares	Amount (Rs.)	No. of shares	Amount (Rs.)
A. Authorised						
Preference Shares of face value of ₹ 10 each	5,500,000	55.00	5,500,000	55.00	5,500,000	55.00
	5,500,000	**55.00**	**5,500,000**	**55.00**	**5,500,000**	**55.00**
B. Issued, subscribed and paid up						
Compulsorily convertible preference shares of face value of ₹ 10 each	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**

C. Reconciliation of the compulsory convertible preference shares outstanding at the beginning and at the end of the reporting year

	As at 31 March 2021		As at 31 March 2020		As at 31 March 2019	
	No. of shares	Amount (Rs.)	No. of shares	Amount (Rs.)	No. of shares	Amount (Rs.)
Balance at the beginning of the year	-	-	-	-	5,500,000	55.00
Add: Issued during the year	-	-	-	-	-	-
Less: Adjusted during the year*	-	-	-	-	(5,500,000)	(55.00)
Balance at the end of the year	**-**	**-**	**-**	**-**	**-**	**-**

* During the year ended 31 March 2019, the Company had modified the terms of these convertible preference shares from being compulsorily convertible to optionally convertible on 12 March 2019. Later on, these preference shares were redeemed on 15 March 2019 at the transaction value.

D. Terms/rights attached to equity shares / compulsory convertible preference shares
The Company has only one class of preference shares having a par value of Rs. 10 per share. These can be converted in equity shares at any time up to 20 years from date of issuance. These shares carry 0.001% as dividend percentage which is to be paid as and when declare and approve by Board of directors.

E. No preference shares have been bought back during the period of five years immediately preceding 31 March 2021.

F. No preference shares have been issued for consideration other than cash during the period of five years immediately preceding 31 March 2021.

(All amounts are in Indian Rupees in million unless stated otherwise)

Note - 30
Other equity

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Reserve fund	1,327.00	1,327.00	1,218.49
Capital reserve	(627.68)	(627.68)	-
Securities premium	37,026.48	37,026.48	37,053.44
Capital redemption reserve	10.00	10.00	10.00
Debenture redemption reserve	-	-	41.65
Other component equity	64.36	64.36	-
Deemed equity contribution by Ultimate Holding Company of Group	146.12	136.74	122.57
General reserve	70.19	70.19	81.58
Share options outstanding account	293.00	659.47	593.14
Retained earnings	1,305.50	2,071.78	4,743.54
Change in fair value of loan assets through other comprehensive income	52.54	79.25	-
Equity attributable to the owners of the Holding Company	**39,667.51**	**40,817.59**	**43,864.41**
Total non- controlling interest	651.20	1,164.28	0.50
Total other equity	**40,318.71**	**41,981.87**	**43,864.91**

Nature and purpose of other reserves:

Reserves fund
The reserve is created as per the provision of Section 45(IC) of Reserve Bank of India Act, 1934. This is a restricted reserve and no appropriation can be made from this reserve fund except for the purpose as may be prescribed by Reserve Bank of India.

Capital reserve
Capital reserve represents reserves created pursuant to the business combination upto year end.

Securities premium
Securities premium represents premium received on issue of shares. The account can be utilised in accordance with the provisions of the Companies Act 2013.

Capital redemption reserve
The same had been created in accordance with provisions of the Companies Act 2013 on account of redemption of preference shares.

Debenture redemption reserve
The Companies Act 2013 requires Companies that issue debentures to create as debenture redemption reserve from annual profits until such debentures are redeemed. The Company is required to transfer a specified percentage (as provided in the Companies Act, 2013) of the outstanding redeemable debentures to debenture redemption reserve. However, pursuant to the Companies (Share Capital and Debentures) Amendment Rules, 2019 notified on 16 August 2019 by Ministry of Corporate Affairs (MCA), debenture redemption reserve is not required for debentures issued by All India Financial Institutions regulated by Reserve Bank of India and Banking Companies for both public as well as privately placed debentures.

Change in fair value of loan assets through other comprehensive income
This reserve has been created aginst chnage in business model for loan against property ("LAP"), business installments loan and personal loan from " hold to collect" to "hold to collect and sale".

General reserve
The Group is required to create a general reserve out of the profits when the Group declares dividend to shareholders.

Share option outstanding account
The reserve is used to recognise the fair value of the options issued to employees of the Company under Ultimate Holding Company of Group ESOP's plan.

Equity instruments through other comprehensive income
This represents the cumulative gains and losses arising on the fair valuation of equity instruments measured at fair value through other comprehensive income.

Deemed equity contribution by Ultimate Holding Company of Group
The reserve has been created against initial measurement of financial guarantee (given by Ultimate Holding Company of Group) at fair value.

Other component of equity
The reserve has been created against excercised amount of employee stock option (issued by Ultimate Holding Company of Group).

Retained earnings
Retained earnings represents surplus / accumulated earning of the Group and are available for distribution to shareholders

(All amounts are in Indian Rupees in million unless stated otherwise)

Note - 31
Interest income

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
On financial assets measured at amortised cost -			
- Interest on loans	7,486.89	17,204.03	14,588.77
- Interest on deposits with banks	256.75	233.50	75.36
- Other interest income	703.88	563.78	174.95
On financial assets measured at fair value through profit or loss -			
Interest income from investments			
- Bonds	-	63.81	85.61
- Alternative fund	2.92	-	
- Commercial paper	-	120.06	17.42
- Commercial deposits	-	34.57	10.08
Total	**8,450.44**	**18,219.75**	**14,952.19**

Note - 32
Dividend income

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Dividend on investments	-	493.49	253.48
Total	**-**	**493.49**	**253.48**

Note - 33
Fees and commission income

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Commission and brokerage income	196.73	334.20	906.10
Subscription income	253.90	-	
Foreclosure fees and other related income	581.45	913.86	1,183.31
Management fee	16.73	24.01	5.19
Remittance and marchant program	0.33	12.90	-
Digital wallet program	680.86	612.59	-
Total	**1,730.00**	**1,897.56**	**2,094.60**

Note - 34
Net gain on fair value changes

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Net gain/(loss) on financial instruments at fair value through profit or loss			
On trading portfolio			
- Gain/(loss) on sale of investments/mutual fund	306.45	38.14	119.20
- Gain/(loss) on Derivatives	-	(25.58)	(65.41)
Total net gain on fair value changes	**306.45**	**12.56**	**53.79**
Fair value changes			
- Realised gain	293.42	9.59	46.37
- Unrealised gain	13.03	2.97	7.42
Total net gain on fair value changes	**306.45**	**12.56**	**53.79**

Note - 35
Net gain on derecognition of financial assets

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Gain on sale of loan portfolio through assignment	1,001.78	6,166.90	315.80
Gain on derecognition of financial instruments	2.77	-	9.96
	1,004.55	**6,166.90**	**325.76**

(All amounts are in Indian Rupees in million unless stated otherwise)

Note - 36
Other income

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Net gain on ineffective portion of hedges	-	-	19.61
Excess provisions written back	91.18	19.58	52.49
Profit on sale of property, plant and equipment (net)	-	0.10	-
Gain on modification/derecognition of right of assets	113.73	-	-
Reimbursement of common expenses	69.87	26.32	-
Miscellaneous income	0.72	0.55	0.37
Total	**275.50**	**46.55**	**72.47**

Note - 37
Finance costs

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest on borrowings			
- Term loans	2,400.34	4,216.50	3,601.10
- Inter-corporate loans	222.03	1,395.65	1,234.84
- Bank overdraft	21.25	118.95	93.24
- Vehicle loan	0.25	0.54	1.00
Interest on debt securities			
- Commercial papers	-	157.98	960.32
- Interest on non convertible debentures	1,004.48	1,266.74	133.56
Other interest expense			
- Liability against securitised assets	752.39	1,145.15	99.09
- Liability against leases	168.71	258.11	-
- Taxes	6.18	0.22	3.03
Other borrowing costs	9.37	17.42	153.99
Total	**4,585.00**	**8,577.26**	**6,280.17**

Note - 38
Fees and commission expense

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Commission expense	9.50	10.77	24.91
Digital wallet expenses	509.75	272.31	-
Total	**519.25**	**283.08**	**24.91**

Note - 39
Impairment on financial assets

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Impairment allowances on loans	(451.45)	4,350.41	1,030.13
Impairment allowances on trade receivables and others	30.00	802.06	3.43
Impairment allownaces on interest spread on assigned assets	(28.01)	191.57	-
Impairment allowances - security receipts	177.27	-	-
Loans, trade receivable and other financial assets write off	2,113.39	3,620.94	-
Investments written off	-	-	1.50
Total	**1,841.20**	**8,964.98**	**1,035.06**

Note - 40
Employee benefits expenses

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries and wages	3,318.26	4,066.91	2,294.59
Contribution to provident fund and other funds	70.80	54.61	37.57
Share based payments expense to employees	(62.07)	150.46	345.65
Staff welfare expenses	7.06	78.99	45.79
Total	**3,334.05**	**4,350.97**	**2,723.60**

(All amounts are in Indian Rupees in million unless stated otherwise)

Note - 41
Depreciation, amortisation and impairment

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation on property, plant and equipment (refer note 16A)	171.40	148.69	83.50
Amortisation on intangible assets (refer note 16E)	250.80	412.02	145.08
Impairment of intangible assets (refer note 16E)	2.76	1.38	-
Depreciation on right-of-use assets (refer note 16B)	309.23	434.64	-
Total	**734.19**	**996.73**	**228.58**

Note - 42
Other expenses

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Rent	51.20	32.41	317.04
Rates and taxes	8.80	29.11	8.48
Office maintenance	89.59	129.12	101.16
Repairs and maintenance - others	9.90	10.66	15.63
Travelling and conveyance	136.24	129.47	55.65
Communication costs	66.36	190.58	157.64
Printing and stationery	7.64	25.55	20.87
Software expenses	156.99	174.33	122.31
Electricity expenses	23.94	45.91	29.25
Legal and professional charges	540.73	2,488.38	1,190.35
Bank charges	267.57	242.21	36.31
Insurance	2.25	8.85	-
Web hosting expenses	27.64	5.14	3.71
Recruitment expenses	-	-	2.18
Business promotion	366.48	498.78	122.15
Corporate social responsibility expenses (refer note- 49)	66.65	62.66	28.41
Loss on modification of financial assets	104.85	140.19	-
Loss on sale/scrapping of property, plant and equipment	74.24	-	-
Miscellaneous expenses	1.13	32.08	1.73
Total	**2,002.20**	**4,245.43**	**2,212.87**

Note - 43
Tax expense

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Current tax			
Income tax for current year	420.72	118.13	1,555.84
Deferred tax			
Deferred tax credit	(511.41)	(325.50)	(154.18)
Income tax expense reported in the statement of profit and loss	**(90.69)**	**(207.37)**	**1,401.66**

The major components of tax expense and its reconciliation to expected tax expense based on the enacted tax rate applicable to the Company is 25.17% (31 March 2020: 25.17% and 31 March 2019: 29.12%) and the reported tax expense in statement of profit and loss are as follows:

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Reconciliation of effective tax rate			
Accounting loss before tax expense	(1,248.95)	(581.64)	5,247.10
Income tax rate	25.17%	25.17%	29.12%
Expected tax expense	**(314.34)**	**(146.39)**	**1,527.97**
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:			
Tax impact on items exempt under income-tax	(61.11)	(117.27)	(157.11)
Tax impact on deductions allowed under income-tax	36.62	(3.44)	13.03
Tax impact of permanent differences	99.88	21.11	56.05
Income chargeable under capital gain (difference of tax rates)	(79.33)	29.61	(145.99)
Earlier years tax adjustments (net)	0.26	0.10	0.02
Tax losses for which no deferred tax was recognised	176.32	138.79	44.36
Tax impact of difference in tax rate on certain items	(9.85)	(87.93)	63.26
Others	60.86	(41.95)	0.08
Income-tax expense	**(90.69)**	**(207.37)**	**1,401.67**

(All amounts are in Indian Rupees in million unless stated otherwise)

Note - 44
Earnings per equity share

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Loss available for equity shareholders	**(1,115.91)**	**(414.77)**	**3,845.16**
Basic/diluted earnings per equity share:			
Weighted average number of equity shares used for computing basic earnings per equity share	61,188,000	61,188,000	50,346,686
Effect of dilution:			
Add: Preference shares*	-	-	5,500,000
Weighted average number of equity shares used in computing diluted earnings per equity share	61,188,000	61,188,000	55,846,686
Face value of equity share (₹)	10.00	10.00	10.00
Earnings per equity share -			
- Basic (₹)	(18.24)	(6.78)	76.37
- Diluted (₹)	(18.24)	(6.78)	68.85

* During the year ended 31 March 2019, the Holding Company modified the terms of these convertible preference shares from being compulsorily convertible to optionally convertible on 12 March 2019. Later on these preference shares were redeemed on 15 March 2019 at the transaction value.

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(All amounts are in Indian Rupees in million unless stated otherwise)

Note 45
Business Combination

Acquisition in financial year 2019-20

I. Acquisition of Transerv Limited

On 1 April 2019, the Holding Company, has further acquired 9% shareholding in "Transerv Limited" (formerly known as Transerv Private Limited) and the Holding Company's total shareholding in Transerv Limited stood at 42%. By virtue of control as per Ind AS 110 - Consolidated Financial Statement, "Transerv Limited" has become subsidiary of the Group and same is consolidated in the consolidated financial statements for the financial year 2019-20.

Fair value of identifiable assets acquired and liabilities assumed as on the date of acquisition is as below:

Particulars		Amount
Financial assets		
Other bank balances		81.14
Trade receivables		4.54
Loans		2.13
Other financial assets		89.67
		177.48
Non-financial assets		
Current tax assets		13.06
Property, plant and equipment		0.75
Intangible assets under development		1.02
Other intangibles		617.35
Other non-financial assets		3.77
		635.95
Total assets (A)		**813.43**
Financial liabilities		
Trade payables		13.03
Other payables		0.52
Other financial liabilities		149.16
		162.71
Non-financial liabilities		
Provisions		4.20
Other non-financial liabilities		3.86
		8.06
Total liabilities (B)		**170.77**
Fair value of identifiable net assets (C=A-B)		**642.66**
Less : Amount paid to obtain control	**D**	140.25
Less : Investment in subsidiary	**E**	356.76
Less : Non-controlling interest	**F**	363.08
Less: Deferred tax on intangible assets	**G**	141.24
Goodwill (D+E+F+G-C)		**358.67**

The resultant provisional goodwill amounts to ₹ 358.67 million. Goodwill paid reflects the premium for gaining immediate entry to wallet business with all the regulatory permits and clearances which will enable the Group to participate in the wallet business market.

Acquisition of additional interest in Transerv Limited

On 1 April 2020, the Group acquired remaining 58.00% interest in the voting shares of Transerv Limited, increasing its ownership interest to 100%. Cash consideration of ₹ 760.65 million was paid to the non-controlling shareholders. Following is a schedule of additional interest acquired in Transerv Limited:

Particulars	Amount
Cash consideration paid to non-controlling shareholders	760.65
Carrying value of the additional interest in Transerv Limited	471.02
Difference recognised as Goodwill	**289.63**

(All amounts are in Indian Rupees in million unless stated otherwise)

Note 45
Business Combination (continued)

II. Accounting for business combination under common control

As per Ind AS 103 - Business combinations, common control business transaction includes transactions, such as transfer of subsidiaries, between entities within the Group and the business combination under common control is being accounted for using pooling of interest method.

The following accounting has been followed
(a) The assets and liabilities of the combining entities are reflected at their carrying values.
(b) No adjustments are made to reflect fair values, or recognise any new assets or liabilities.
(c) The financial information in the financial statements in respect of prior periods has been as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

A Acquisition of Indiabulls Distribution Services Limited

On 26 March 2020, Indiabulls Distribution Services Limited ("IDSL") issued and allotted 308,220 equity shares to Dhani Loans and Services Limited (formerly, Indiabulls Consumer Finance Limited). After allotment of said shares DLSL holds 86.04% share of IDSL and IDSL become subsidiary of the Company. Earlier, IDSL was wholly owned subsidiary of Dhani Services Limited (formerly, Indiabulls Ventures Limited) (the Holding Company of DLSL) from the date of its incorporation and therefore it was a business combination under common control as per Appendix C of Ind AS 103. As per Ind AS 103, common control business transaction includes transactions, such as transfer of subsidiaries, between entities within the Group. As per Para 8 of Ind AS 103, the business combination under common control is being accounted for using pooling of interest method.

Particulars	**Amount**
Cost of acquisition	4,500.01
Carrying value of identifiable net assets	679.45
Non-controlling interest	95.53
Capital reserve	(5,179.46)
Retained earnings	593.45

Indiabulls Alternate Investments Limited (a wholly owned subsidiary of IDSL) was also acquired in the abovementioned transaction.

As per para II (c) above, for the purpose of preparation of consolidated financial statements, the financial statements of previous period is and these entities are included in the consolidated financial statements when they came under common control. Therefore, IDSL is included in the financials from the start of the prior period 1 April 2018.

B Acquisition of Indiabulls Investment Advisors Limited

On 20 March 2020, Dhani Loans and Services Limited (formerly, Indiabulls Consumer Finance Limited) acquired 100% shares of Indiabulls Investment Advisors Limited ("IIAL") from Dhani Services Limited (formerly, Indiabulls Ventures Limited) (the Holding Company of DLSL). IIAL was wholly owned subsidiary of Dhani Services Limited (formerly, Indiabulls Ventures Limited) from the date of its incorporation and therefore it was a business combination under common control as per Appendix C of Ind AS 103. As per Ind AS 103, common control business transaction includes transactions, such as transfer of subsidiaries, between entities within the Group. As per Para 8 of Ind AS 103, the business combination under common control is being accounted for using pooling of interest method.

Particulars	**Amount**
Consideration transferred	55.00
Carrying value of identifiable net assets	(358.35)
Capital reserve	(413.35)
Retained earnings	(414.49)

As per para II (c) above, for the purpose of preparation of consolidated financial statements, the financial statements of previous period is and these entities are included in the consolidated financial statements when they came under common control. Therefore, IIAL is included in the financials from the start of the prior period 1 April 2018.

(All amounts are in Indian Rupees in million unless stated otherwise)

Note - 46
Leases

The Group has leases for office buildings. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use "ROU" assets. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublease the asset to another party, the right-of-use asset can only be used by the Group. Some leases contain an option to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and other premises the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group is required to pay maintenance fees in accordance with the lease contracts.

A Lease payments not included in measurement of lease liability
The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	**Year ended 31 March 2021**	**Year ended 31 March 2020**
Short-term leases	51.20	32.41

B Total cash outflow for leases for the year ended 31 March 2021 was ₹ 368.82 Million (31 March 2020: ₹ 564.01 Million).

C The Group has total commitment for short-term leases of ₹ Nil as at 31 March 2021 (31 March 2020: ₹ Nil).

D Maturity of lease liabilities

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

31 March 2021	**Minimum lease payment due**						
	Within 1 year	**1 - 2 Years**	**2 - 3 Years**	**3 - 4 Years**	**4 - 5 Years**	**More than 5 years**	**Total**
Lease Payment	310.25	290.24	265.67	264.19	278.01	436.20	1,844.56
Interest Expense	131.47	111.54	94.51	75.99	54.22	36.96	504.69
Net Present Value	**178.78**	**178.70**	**171.16**	**188.20**	**223.79**	**399.24**	**1,339.87**

31 March 2020	**Minimum lease payment due**						
	Within 1 year	**1 - 2 Years**	**2 - 3 Years**	**3 - 4 Years**	**4 - 5 Years**	**More than 5 years**	**Total**
Lease Payment	548.96	559.70	486.16	423.98	397.89	944.20	3,360.89
Interest Expense	236.33	201.28	163.58	133.49	102.45	112.99	950.12
Net Present Value	**312.63**	**358.41**	**322.58**	**290.50**	**295.44**	**831.21**	**2,410.77**

E Variable lease payments are expensed in the period they are incurred. Expected future cash outflow as at 31 March 2021 is of ₹ Nil (31 March 2020: ₹ Nil).

F The table below describe the nature of the Group's lease activities by type of right-of -use asset recognised on balance sheet :

Year	**Right of use assets**	**Number of leases**	**Range of remaining term**	**Average remaining lease term**	**Number of leases with extension option**	**Number of leases with purchase option**	**Number of leases with termination option**
As at 31 March 2021	Office Building	137	6 Month to 105 Month	47.74 Months	-	-	137
As at 31 March 2020	Office Building	231	2.03 Month to 105.53 Month	81.95 Months	-	-	231

G The total future cash outflows as at 31 March 2021 for leases that had not yet commenced is of ₹ 9.56 Million (31 March 2020: ₹ 54.36 Million).

(All amounts are in Indian Rupees in million unless stated otherwise)

Note - 46
Leases (continued):

H Impact on transition

1 Effective 1 April 2019, the Group has adopted Ind AS 116 "Leases" and applied modified retrospective approach to all lease contracts existing as at 1 April 2019. On transition, the adoption of new standard resulted in recognition of lease liability of ₹ 2,314.65 Million and corresponding right of use asset of ₹ 2,338.97 Million.

2 For contracts in place as at 1 April 2019, Group has elected to apply the definition of a lease from Ind AS 17 and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17.

3 The Group has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of Ind AS 116, being 1 April 2019.

4 Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Company has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of Ind AS 116.

5 On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Group has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straightline basis over the remaining lease term.

6 For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under Ind AS 17 immediately before the date of initial application.

7 On transition to Ind AS 116 the weighted average incremental borrowing rate applied to lease liabilities recognised was 10.50%.

8 The following is a reconciliation of total operating lease commitments at 31 March 2019 (as disclosed in the financial statements for the year ended 31 March 2019) to the lease liabilities recognised at 1 April 2019:

Particulars	Amount
Total operating lease commitments disclosed as at 31 March 2019	3,314.08
Recognition exemptions:	
Leases of low value assets	-
Leases with remaining lease term of less than 12 months	-
Variable lease payments not recognised	-
Operating lease liabilities before discounting	3,314.08
Discounting impact (using incremental borrowing rate)	(999.43)
Operating lease liabilities	2,314.65
Finance lease obligations under Ind AS 17	-
Total lease liabilities recognised under Ind AS 116 at 1 April 2019	**2,314.65**

The following is the movement in lease liabilities:

Particulars	**Year ended 31 March 2021**	**Year ended 31 March 2020**
Opening Balance	2,410.77	-
Adjustment on account of Ind AS 116	-	2,314.65
Additions	850.31	501.36
Finance cost accrued during the period	168.71	258.11
Deletion	(1,716.15)	259.58
Payment of lease liabilities	(373.77)	(922.93)
Closing Balance	**1,339.87**	**2,410.77**

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(All amounts are in Indian Rupees in million unless stated otherwise)

Note - 47

A. Contingent liabilities not provided for in respect of:

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Claims against the group not acknowledged as debts in respect of* -			
- Cases under Income-tax Act, 1961	15.18	19.26	9.66
Total	**15.18**	**19.26**	**9.66**

*In respect of disputes, the Company is hopeful of succeeding in appeals and does not expect any significant liabilities to materialise.

B. Commitments:

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Capital commitment for purchse of property, plant and equipment (net of capital advances paid)	1,593.29	59.63	115.46

Note- 48

Reconciliation of liabilities arising from financing activities

The changes in the Group's liabilities arising from financing activities can be classified as follows:

Particulars	Debt securities	Borrowings (other than debt securities)	Lease liabilities	Total
Balance as at 1 April 2018	3,500.00	35,973.96	-	**39,473.96**
Cash flows:				
- Repayment	(64,641.92)	(76,789.95)	-	(141,431.87)
- Proceeds	78,653.97	111,052.05 #	-	189,706.02
Non cash:				
- Amortisation of upfront fees and others	(163.43)	(84.31)	-	(247.74)
- Addition/(reduction) in interest accrued	41.00	80.80		121.80
Balance as at 31 March 2019	**17,389.62**	**70,232.55**	**-**	**87,622.17**
Adjustment on account of Ind AS 116	-	-	2,314.65	2,314.65
Cash flows:				
- Repayment	(13,750.00)	(59,616.18)	(564.02)	(73,930.20)
- Proceeds	4,182.03	29,766.55 #	-	33,948.58
Non cash:				
- Amortisation of upfront fees and others	187.07	64.67	-	251.74
- Addition during the year (net)	-	-	402.03	402.03
- Addition/(reduction) in interest accrued	34.06	57.12	-	91.18
- Others	-	-	258.11	258.11
Balance as at 31 March 2020	**8,042.78**	**40,504.71**	**2,410.77**	**50,958.26**
Cash flows:				
- Repayment	(5,714.50)	(31,083.85) #	(368.82)	(37,167.17)
- Proceeds	5,250.00	18,056.05	-	23,306.05
Non cash:				
- Amortisation of upfront fees and others	116.16	-	-	116.16
- Addition/(reduction) during the year (net)	-	-	(870.79)	(870.79)
- Addition/(reduction) in interest accrued	11.59	(71.07)	-	(59.48)
- Others	-	-	168.71	168.71
Balance as at 31 March 2021	**7,706.03**	**27,405.83**	**1,339.87**	**36,451.74**

This includes proceeds of ₹ nil and repayment of ₹ 8.24 million (31 March 2020: proceeds ₹ 8.24 million and repayments ₹ 8,168.77 million and 31 March 2019: proceeds ₹ 6.99 million) from bank overdraft which is considered under cash and cash equivalents in the cash flow statement.

(All amounts are in Indian Rupees in million unless stated otherwise)

Note- 49
(i) Corporate social responsibility expenses

In accordance with the provisions of section 135 of the Companies Act 2013, the Board of Directors of the Company (where CSR provisions are applicable) had constituted a Corporate Social Responsibility (CSR) Committee. In terms with the provisions of the said Act, the Group was to spend a sum of ₹ 66.65 million (31 March 2020: ₹ 62.66 million and 31 March 2019: ₹ 28.41 million) towards CSR activities during the year ended 31 March 2021, 2020 and 2019. The details of amount actually spent by the Group are as follow:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
(a) Gross amount required to be spent by the Group	66.65	62.66	28.41
(b) Amount spent on -			
- Construction/acquisition of any asset	-	-	-
- Any other purpose other than above*	66.65	62.66	28.41
(c) Amount unpaid	-	-	-
Total	**66.65**	**62.66**	**28.41**

*Contribution towards donation/corpus fund paid to Indiabulls Foundation

Note - 50
Employee benefits

(i) Defined contribution plans:

The Group pays fixed contribution to provident fund at predetermined rates to a registered provident fund administered by the Government of India, which invests the funds in permitted securities. Both the Company and employees make predetermined contributions to the Provident Fund. The contributions are normally based on a certain proportion of the employee's salary. Amount of ₹ 70.80 million (31 March 2020 ₹ 54.61 million and 31 March 2019 ₹ 37.57 million) pertaining to employers' contribution to provident and other fund is recognised as an expense and included in "Employee benefits expense".

(ii) Defined benefit plans:
The Group operates unfunded gratuity plan which provides lump sum benefits linked to the qualifying salary and completed years of service with the Group at the time of separation. Every employee who has completed 5 years of continuous service is entitled to receive gratuity at the time of his retirement or separation from the organisation, whichever is earlier. The gratuity benefit that is payable to any employee, is computed in accordance with the provisions of "The Payment of Gratuity Act, 1972".

Risks associated with plan provisions

Salary increases	Actual salary increases will increase the Plan’s liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment risk	If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan’s liability.
Mortality & disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan’s liability.

(All amounts are in Indian Rupees in million unless stated otherwise)

Note - 50
Employee benefits (continued):

Based on the actuarial valuation report, the following table sets out the status of the gratuity plan and the amounts recognized in the Group's financial statements as at balance sheet date:

a) Amount recognised in the balance sheet is as under:

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Present value of obligation	154.21	173.86	101.68
Fair value of plan assets	-	-	-
Net obligation recognised in balance sheet as provision	**154.21**	**173.86**	**101.68**

b) Reconciliation of present value of defined benefit obligation:

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	173.86	101.68	54.20
Current service cost	52.43	61.05	27.30
Interest cost	10.63	8.88	4.77
Actuarial loss recognised in other comprehensive income :			
- Demographic assumptions	-	(0.12)	-
- Financial assumptions	0.10	18.96	4.22
- Experience adjustment	(60.88)	(12.31)	(5.54)
Benefits paid	(16.88)	(10.34)	(4.24)
Acquisition adjustments on acquisition of subsidiary/ transfer of employees	(5.05)	6.06	20.97
Balance at the end of the year	**154.21**	**173.86**	**101.68**

c) Expense recognised in profit or loss:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Current service cost	52.43	61.05	27.30
Interest cost	10.63	8.88	4.77
Total	**63.06**	**69.93**	**32.07**

d) Remeasurement recognised in other comprehensive income:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Actuarial (gain)/loss on defined benefit obligations	(60.78)	6.53	(1.32)
Total	**(60.78)**	**6.53**	**(1.32)**

(All amounts are in Indian Rupees in million unless stated otherwise)

Note - 50
Employee benefits (continued):

e) Actuarial assumptions
The following were the principal actuarial assumptions at the reporting dates:

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Discount rate	6.79%	6.80%	7.65%
Salary escalation rate	5.00%	5.00%	5.00%
Retirement age (years)	60	60	60
Mortality rates inclusive of provision for disability	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)	100% of IALM (2006 - 08)
Ages	Withdrawal Rate (%)	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 Years	3	3	3
From 31 to 44 years	2	2	2
Above 44 years	1	1	1
Weighted average duration	22.21	21.97	22.39

f) Sensitivity analysis for gratuity liability

Particulars	As at 31 March 2021		As at 31 March 2020		As at 31 March 2019	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Present value of obligation at the end of the year	154.21	154.21	173.86	173.86	101.68	101.68
Discount rate (0.5% movement)	(12.05)	13.44	(13.70)	15.49	(6.83)	7.52
Salary escalation rate (0.5% movement)	13.61	(12.30)	15.15	(13.94)	7.70	(7.04)

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these is not calculated.
Sensitivities as to rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable.

g) Expected maturity analysis of the defined benefit plans in future years

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Less than 1 year	1.97	2.90	2.28
Between 1-2 years	1.47	1.73	1.28
Between 2-5 years	10.05	8.33	4.26
Over 5 years	140.73	160.90	93.84
Total	**154.22**	**173.86**	**101.66**

Expected contribution for the next annual reporting period	**100.97**	**100.21**	**82.89**

(iii) Other long term employee benefit plans

The Group provides for compensated absences to its employees. The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The scheme is unfunded and liability for the same is recognised on the basis of actuarial valuation. A provision of ₹ 15.11 million has been reversed (31 March 2020: ₹ 59.27 million and 31 March 2019: ₹ 16.31 million provision created) for the year on the basis of actuarial valuation at the year end and credit to the statement of profit and loss.

(All amounts are in Indian Rupees in million unless stated otherwise)

Note - 51
Employee stock option schemes:

The employees of the Group have been granted option as per the existing schemes of Dhani Services Limited ('the Ultimate Holding Company', 'DSL') (formerly known as Indiabulls Ventures Limited). On exercise, the employees will be allotted shares of the Ultimate Holding Company.

A. Grants during the year:

The Ultimate Holding Company has established the "Udaan Employee Welfare Trust" ("Udaan – EWT") (earlier known as Indiabulls Ventures Limited - Employees Welfare Trust" ("Trust") for the implementation and management of its employees benefit scheme viz. the "Dhani Services Limited - Employee Stock Benefit Scheme – 2019" (Scheme), for the benefit of the employees of its company and subsidiaries. Pursuant to Regulation 3(12) of the SEBI (Share Based Employee Benefits) Regulations, 2014, fully paid up equity shares of 10,400,000 lying in Trust have been appropriated towards the Scheme for grant of Share Appreciations Rights (SARs) to the employees of the Ultimate Holding company and its subsidiaries as permitted by SEBI. The Ultimate Holding company will treat these SARs as equity and therefore they will be treated as equity settled SARs and accounting has been done accordingly.

B. Employees Stock Options Schemes:

(i) Employees Stock Option Scheme - 2008 (DSL ESOP - 2008)

	DSL ESOP - 2008			
Total options under the scheme (Nos.)	**20,000,000**			
Options granted (Nos.)	**20,000,000**	**9,700,000 (Regrant)**	**500,000 (Regrant)**	**880,600 (Regrant)**
Vesting period and percentage	Ten years, 1st Year - 15% 2nd year to 9th year - 10% each year 10th year - 5%	Five years, 20% each year	Five years, 20% each year	Five years, 20% each year
Vesting date	25th January each year, commencing 25 January 2010	2nd July each year, commencing 2 July 2017	2nd September each year, commencing 2 September 2018	25th March each year, commencing 25 March 2019
Exercisable period	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date
Exercise price (₹)	17.40	24.15	219.65	254.85
Outstanding at the beginning of 1 April 2018 (Nos.)	1,277,866	9,700,000	500,000	880,600
Granted/ regranted during the year (Nos.)	-	-	-	-
Forfeited during the year (Nos.)	406,950	-	-	187,000
Exercised during the year (Nos.)	-	-	-	-
Expired during the year (Nos.)	-	-	-	-
Outstanding as at 31 March 2019 (Nos.)	**870,916**	**9,700,000**	**500,000**	**693,600**
Vested and exercisable as at 31 March 2019 (Nos.)	870,916	3,880,000	100,000	138,720
Remaining contractual life (weighted months)	-	66	-	73
Outstanding at the beginning of 1 April 2019 (Nos.)	870,916	9,700,000	500,000	693,600
Granted/ regranted during the year (Nos.)	-	-	-	-
Forfeited during the year (Nos.)	-	10,000	500,000	152,000
Exercised during the year (Nos.)	870,916	5,050,800	-	25,800
Expired during the year (Nos.)	-	-	-	-
Outstanding as at 31 March 2020 (Nos.)	**-**	**4,639,200**	**-**	**515,800**
Vested and exercisable as at 31 March 2020 (Nos.)	-	769,200	-	192,640
Remaining contractual life (weighted months)	-	66	-	73
Outstanding at the beginning of 1 April 2020 (Nos.)	-	4,639,200	-	515,800
Granted/ regranted during the year (Nos.)	-	-	-	-
Forfeited during the year (Nos.)		14,400		429,000
Exercised during the year (Nos.)	-	-	-	-
Expired during the year (Nos.)	-	-	-	-
Outstanding as at 31 March 2021 (Nos.)	**-**	**4,639,200**	**-**	**515,800**
Vested and exercisable as at 31 March 2021 (Nos.)	-	2,697,000	-	-
Remaining contractual life (weighted months)	-	54	-	73

Weighted average exercise price of share during the year ended 31 March 2021: Not applicable (31 March 2020: ₹ 198.22 and 31 March 2019: Not applicable).

(All amounts are in Indian Rupees in million unless stated otherwise)

Note - 51
Employee Stock Option Schemes *(continued)*

(ii) Employees Stock Option Scheme - 2009 (DSL - ESOP 2009)

	DSL ESOP - 2009	DSL ESOP - 2009	DSL ESOP - 2009	DSL ESOP - 2009
Total options under the Scheme (Nos.)	20,000,000	20,000,000	20,000,000	20,000,000
Options granted (Nos.)	2,050,000	9,500,000 (Regrant)	10,000,000 (Regrant)	669,400 (Regrant)
Vesting period and percentage	Ten years, 10% each year	Five years, 20% each year	Five years, 20% each year	Five years, 20% each year
Vesting date	13th April each year, commencing 13 April 2011	13th May each year, commencing 13 May 2017	2nd September each year, commencing 2 September 2018	25th March each year, commencing 25 March 2019
Exercisable period	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date
Exercise price (₹)	31.35	16.00	219.65	254.85
Outstanding at the beginning of 1 April 2018 (Nos.)	**150,000**	**7,152,500**	**9,970,000**	**669,400**
Granted/ regranted during the year (Nos.)	-	-	-	-
Forfeited during the year (Nos.)	-	664,800	90,000	450,000
Exercised during the year (Nos.)	-	-	-	-
Expired during the year (Nos.)	-	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	-	-	-	-
Outstanding as at 31 March 2019 (Nos.)	**150,000**	**6,487,700**	**9,880,000**	**219,400**
Vested and exercisable as at 31 March 2019 (Nos.)	50,000	1,676,300	1,976,000	43,880
Remaining contractual life (Weighted Months)	60	67	77	84
Outstanding at the beginning of 1 April 2019 (Nos.)	**150,000**	**6,487,700**	**9,880,000**	**219,400**
Granted/ regranted during the year (Nos.)	-	-	-	-
Forfeited during the year (Nos.)	-	165,000	195,500	-
Exercised during the year (Nos.)	100,000	3,225,100	852,600	40,000
Expired during the year (Nos.)	-	-	-	-
Outstanding as at 31 March 2020 (Nos.)	**50,000**	**3,097,600**	**8,831,900**	**179,400**
Vested and exercisable as at 31 March 2020 (Nos.)	50,000	-	3,034,400	47,760
Remaining contractual life (Weighted Months)	60	67	67	77
Outstanding at the beginning of 1 April 2020 (Nos.)	**50,000**	**3,097,600**	**8,831,900**	**179,400**
Granted/ regranted during the year (Nos.)	-	-	-	-
Forfeited during the year (Nos.)	-	572,000	6,146,300	179,400
Exercised during the year (Nos.)	-	-	-	-
Expired during the year (Nos.)	-	-	-	-
Outstanding as at 31 March 2021 (Nos.)	50,000	2,525,600	2,685,600	-
Vested and exercisable as at 31 March 2021 (Nos.)	50,000	1,262,800	-	-
Remaining contractual life (Weighted Months)	48	55	71	-

Weighted average exercise price of share during the year ended 31 March 2021: Nil (31 March 2020: ₹ 187.29 and 31 March 2019: Not applicable)

Note - 51
Employee Stock Option Schemes *(continued)*

(iii) Dhani Services Limited - Employee Stock Benefit Scheme 2019 (“Scheme”) ("DSL-ESBS 2019").

The Scheme has been adopted and approved pursuant to: (a) a resolution of the Board of Directors of the Ultimate Holding Company at its meeting held on 22 October 2019; and (b) a special resolution of the shareholders’ of the Ultimate Holding Company passed through postal ballot on 4 December 2019, result of which were declared on 5 December 2019.

This Scheme comprises:
a. Dhani Services Limited Employees Stock Option Plan 2019 (“ESOP Plan 2019”)
b. Dhani Services Limited Employees Stock Purchase Plan 2019 (“ESP Plan 2019”)
c. Dhani Services Limited Stock Appreciation Rights Plan 2019 (“SARs Plan 2019”)

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the “SBEB Regulations”), the Ultimate Holding Company has set up "Udaan - Employee Welfare Trust" ("Trust") for the purpose of implementation of the Scheme as per the terms of the respective Schemes as aforesaid. The Trust, in compliance with the “SBEB Regulations”, is authorised to purchase upto an aggregate of 10,500,000 (One Crore Five lakh) fully paid-up equity shares, being not more than 2% (Two percent) of the fully paid-up equity share capital of the Ultimate Holding Company as on the date of approval of shareholders, from the secondary market. The Ultimate Holding Company has appropriated its 10,400,000 fully paid up equity shares purchased by the Trust under the Scheme.

	DSL-ESBS 2019
Total options under the Scheme (Nos.)	10,500,000
Options granted (Nos.)	10,400,000
Vesting period and percentage	Three years, 33.33% each year
Vesting date	17th August each year, commencing 17 August 2021
Exercisable period	5 years from each vesting date
Exercise price (₹)	250.00
Outstanding at the beginning of 1 April 2020 (Nos.)	**-**
Granted during the year (Nos.)	10,400,000
Forfeited during the year (Nos.)	-
Exercised during the year (Nos.)	-
Expired during the year (Nos.)	-
Outstanding as at 31 March 2021 (Nos.)	**10,400,000**
Vested and exercisable as at 31 March 2021 (Nos.)	-
Remaining contractual life (Weighted Months)	77

(iv) Dhani Services Limited - Employee Stock Benefit Scheme 2020 (“Scheme”) ("DSL-ESBS 2020").

The Scheme has been adopted and approved pursuant to: (a) a resolution of the Board of Directors of the Ultimate Holding Company at its meeting held on 23 January 2020; and (b) a special resolution of the shareholders’ of the Ultimate Holding Company passed through postal ballot on 20 March 2020, result of which were declared on 21 March 2020.

This Scheme comprises:
a. Dhani Services Limited Employees Stock Option Plan 2020 (“ESOP Plan 2020”)
b. Dhani Services Limited Employees Stock Purchase Plan 2020 (“ESP Plan 2020”)
c. Dhani Services Limited Stock Appreciation Rights Plan 2020 (“SARs Plan 2020”)

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the “SBEB Regulations”), the Company has set up "Udaan - Employees Welfare Trust" (Trust) for the purpose of implementation of the Scheme as per the terms of the respective Schemes as aforesaid. The Trust, in compliance with the “SBEB Regulations”, is authorised to purchase upto an aggregate of 9,300,000 (Ninety Three lakh) fully paid-up equity shares, being not more than 2% (Two percent) of its fully paid-up equity share capital as on the date of approval of shareholders, from the secondary market. The Ultimate Holding Company has not granted any options/ SARs under the said scheme as at 31 March 2021.

(All amounts are in Indian Rupees in million unless stated otherwise)

Note - 51
Employee Stock Option Schemes *(continued)*

C. Fair Valuation:
The details of the Fair value of the options / SARs as determined by an Independent firm of Chartered Accountants, for the respective plans using the Black-Scholes Merton Option Pricing Model:-

	DSL ESOP - 2008			
	20,000,000 Options	**9,700,000 Options Regranted**	**500,000 Options Regranted**	**880,600 Options Regranted**
1. Exercise price (₹)	17.40	24.15	219.65	254.85
2. Expected volatility *	79.00%	42.97%	46.70%	47.15%
3. Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil
4. Option Life (Weighted Average) (in years)	11	6	6	6
5. Expected Dividends yield	22.99%	10.82%	1.27%	1.10%
6. Risk Free Interest rate	6.50%	7.45%	6.54%	7.56%
7. Fair value of the options (₹)	0.84	4.31	106.31	130.05

	DSL-ESBS 2019	**DSL ESOP – 2009**			
	10,400,000 SARs	**2,050,000 Options**	**9,500,000 Options Regranted**	**10,000,000 Options Regranted**	**669,400 Options Regranted**
1. Exercise price (₹)	250.00	31.35	16.00	219.65	254.85
2. Expected volatility *	68.45%	48.96%	40.74%	46.70%	47.15%
3. Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil	Nil
4. Option Life (Weighted Average) (in years)	4 Years	10 Years	6 Years	6 Years	6 Years
5. Expected dividends yield	1.71%	6.86%	16.33%	1.27%	1.10%
6. Risk free interest rate	4.17%	8.05%	7.45%	6.54%	7.56%
7. Fair value of the options (₹)	55.49	9.39	1.38	106.31	130.05

* The expected volatility was determined based on historical volatility data.

D. Share based payment expense:

The Group has recognised following share based payments expense to employees in the statement of Profit and loss for the year ended 31 March 2021:

	For the year ended 31 March 2021	**For the year ended 31 March 2020**	**For the year ended 31 March 2019**
Share based payments (reversal) / expense	(62.07)	150.46	345.65
	(62.07)	**150.46**	**345.65**

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Dhani Loans and Services Limited
(Formerly known as Indiabulls Consumer Finance Limited)
Annexure - V
Summary of significant accounting policies and other explanatory information to Reformatted Consolidated Ind AS Financial Information
(All amounts are in Indian Rupees in million unless stated otherwise)

Note - 52
Segment reporting:
Segment information for the year ended 31 March 2021 as per Indian Accounting Standard 108 - 'Segment Reporting':

(A) Primary segment information (by business segments):

Particluars	For the year ended 31 March 2021				
	Broking and related activities	**Financing and related activities**	**Other operations**	**Inter-segment revenue**	**Total**
(i) Segment revenue	1,047.28	10,438.11	29.34	(23.29)	11,491.44
(ii) Segment results	378.15	(1,343.30)	17.50	-	(947.65)
Unallocated income net of other unallocated expenditure					(71.10)
Interest expenditure					(230.19)
Loss before tax					**(1,248.94)**
Tax expense					90.69
Loss after tax					**(1,158.25)**
Total other comprehensive income					18.77
Total comprehensive income for the year					**(1,139.48)**
(iii) Segment assets	9,568.71	69,612.04	-		79,180.75
Unallocated corporate assets					3,926.81
Total assets					**83,107.56**
(iv) Segment liabilities	1,882.60	40,289.28	-		42,171.88
Unallocated corporate liabilities					5.08
Total liabilities					**42,176.96**
(v) Capital expenditure including capital advances given (net)					
Unallocated capital expenditure including capital advances					(143.44)
Total capital expenditure including capital advances					**(143.44)**
(vi) Depreciation, amortisation and impairment	16.66	717.53	-		734.19
Unallocated depreciation, amortisation and impairment					-
Total depreciation, amortisation and impairment					**734.19**
(vii) Non cash expenditure other than depreciation					
Unallocated non cash expenditure other than depreciation					1,905.05
Non cash expenditure other than depreciation					**1,905.05**

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Note - 52
Segment reporting (continued)

(A) Primary segment information (by business segments):

Particluars	For the year ended 31 March 2020				
	Broking and related activities	Financing and related activities	Other operations	Inter-segment revenue	Total
(i) Segment revenue	1,357.26	25,796.12	40.74	(403.86)	26,790.26
(ii) Segment results	200.44	436.95	16.34	-	653.73
Unallocated income net of other unallocated expenditure					(56.80)
Interest expenditure					(1,178.58)
Loss before tax					**(581.65)**
Tax expense					207.37
Loss after tax					**(374.28)**
Total other comprehensive income					74.36
Total comprehensive income for the year					**(299.92)**
(iii) Segment assets	13,013.97	81,691.77	-		94,705.74
Unallocated corporate assets					2,576.03
Total assets					**97,281.77**
(iv) Segment liabilities	1,181.47	53,497.57	-		54,679.04
Unallocated corporate liabilities					8.98
Total liabilities					**54,688.02**
(v) Capital expenditure including capital advances given (net)					
Unallocated capital expenditure including capital advances					(1,880.48)
Total capital expenditure including capital advances					**(1,880.48)**
(vi) Depreciation, amortisation and impairment	56.80	939.94	-		996.74
Unallocated depreciation, amortisation and impairment					-
Total depreciation, amortisation and impairment					**996.74**
(vii) Non cash expenditure other than depreciation					
Unallocated non cash expenditure other than depreciation					9,087.65
Non cash expenditure other than depreciation					**9,087.65**

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Note - 52
Segment reporting (continued)

(A) Primary segment information (by business segments):

Particluars	For the year ended 31 March 2019				
	Broking and related activities	Financing and related activities	Other operations	Inter-segment revenue	Total
(i) Segment revenue	1,215.29	16,480.59	32.53	(48.59)	17,679.82
(ii) Segment results	588.78	5,362.03	(7.70)	-	5,943.11
Unallocated income net of other unallocated expenditure					(10.63)
Interest expenditure					(685.39)
Profit before share of loss of an associate and tax					**5,247.09**
Share of loss					(0.28)
Profit before tax					**5,246.81**
Tax expense					(1,401.66)
Profit after tax					**3,845.15**
Total other comprehensive income					(6.57)
Total comprehensive income for the year					**3,838.58**
(iii) Segment assets	12,732.20	124,166.43	-		136,898.63
Unallocated corporate assets					1,108.77
Total assets					**138,007.40**
(iv) Segment liabilities	12,630.78	80,896.11	-		93,526.89
Unallocated corporate liabilities					3.72
Total liabilities					**93,530.61**
(v) Capital expenditure including capital advances given (net)					
Unallocated capital expenditure including capital advances					(756.98)
Total capital expenditure including capital advances					**(756.98)**
(vi) Depreciation, amortisation and impairment	39.50	189.08	-		228.58
Unallocated depreciation, amortisation and impairment					-
Total depreciation, amortisation and impairment					**228.58**
(vii) Non cash expenditure other than depreciation					
Unallocated non cash expenditure other than depreciation					1,075.20
Non cash expenditure other than depreciation					**1,075.20**

Note - 52
Segment reporting (continued):

(B) The Group operates solely in one Geographic segment namely "Within India" and hence no separate information for Geographic segment wise disclosure is required.

(C) The Group's primary business segments are reflected based on principal business activities carried on by the Holding Company and its subsidiary companies. The Group's primary businesses are 'Financing and Related activities' and 'Broking and Related activities'. Broking and related activities include business as a brokerage on cross-selling of real estate, and other ancillary services relating to broking activities. Financing and related activities include business financing loans and other ancillary services.

(D) Segment revenue, results, assets and liabilities include amounts identifiable to each segment and amounts allocated on a reasonable basis.

(E) The accounting policies adopted for segment reporting are in line with the accounting policies adopted for preparation of financial information as disclosed in Note 5.

Note - 53
Related party disclosures :

Nature of relationship	:	Names of related parties
(a) Detail of related parties :		
Ultimate Holding Company of the Group	:	Dhani Services Limited (formerly known as Indiabulls Ventures Limited)
Fellow subsidiary companies	:	Dhani Stocks Limited (formerly known as Indiabulls Securities Limited and Indiabulls Commodities Limited)
(with whom transactions took place)	:	Pushpanjli Finsolutions Limited
	:	Auxesia Soft Solutions Limited
	:	Devata Tradelink Limited
	:	Evinos Buildwell Limited
	:	Evinos Developers Limited
	:	Savren Buildwell Limited
	:	Krathis Buildcon Limited
	:	Krathis Developers Limited
	:	Dhani Healthcare Limited (formerly known as Pushpanjli Fincon Limited)
	:	Indiabulls Infra Resources Limited
	:	Gyansagar Buildtech Limited
	:	Arbutus Constructions Limited
	:	Indiabulls ARC Trust XVII
	:	Indiabulls Asset Reconstruction Company Limited
Key management personnel	:	Mr. Pinank Jayant Shah, Whole Time Director and Chief Executive Officer
	:	Mr. Gagan Banga, Director
	:	Mr. Alok Kumar Mishra, Director
	:	Mr. Nafees Ahmed, Director
	:	Mr. Ajit Kumar Mittal, Director
	:	Mr. Labh Singh Sitara, Director
	:	Mrs. Preetinder Virk (from 4 December 2018), Director
	:	Mrs. Manjari Ashok Kacker (till 4 December 2018), Director
	:	Mr. Divyesh B Shah, Chief Executive Officer and Whole Time Director of Dhani Services Limited
Person exercising significant influence	:	Mr. Sameer Gehlaut

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Note - 53
Related party disclosures (continued):

(b) Transactions with related parties :

Natute of tranactions	Key management personnel			Ultimate Holding Company			Fellow subsidiaries		
	For the year ended			For the year ended			For the year ended		
	31 March 2021	31 March 2020	31 March 2019	31 March 2021	31 March 2020	31 March 2019	31 March 2021	31 March 2020	31 March 2019
Finance									
- Loans given (Maximum balance outstanding during the year):	-	-	-	-	6,050.00	-	6,520.40	8,165.53	243.77
(Maximum balance outstanding during the year):	-	-	-	1,189.30	25,305.20	21,127.58	3,562.06	165.54	150.00
Share capital									
- Issue of equity shares	-	-	-	-	-	25,722.48	-	-	-
Investment									
- Purchase of equity shares	-	-	-	-	55.00	-	-	2.50	-
- Investment/(redemption) in security receipts (net)	-	-	-	-	-	-	210.10	-	-
- Sale of equity shares	-	-	-	-	215.05		-	-	-
Assets									
- Deposit for mark to margin account	-	-	-	-	-	4.25	-	-	-
Liabilities									
- Employee benefits transfer received	-	-	-	-	4.39	1.38	-	0.18	13.91
- Employee benefits transfer paid	-	-	-	-	0.41	19.07	(33.52)	0.84	
Liability transferred by the Company (Provision for employee benefits)	-	-	-	-	-	5.16	-	-	
Contingent liabilities									
- Fixed deposits pledged	-	-	-	-	-	8,710.00	-	-	
Income									
- Interest income from loan	-	-	-	-	123.99	-	529.70	168.14	16.00
- Consultancy fee	-	-	-	-	-	40.00	-	-	
- Net gain on derecogntion of financial assets	-	-	-	-	-	-	1,015.06	-	
- Reimbursement of common expenses	-	-	-	-	-	-	69.87	-	
- Income from Beneficiary Validation Services			-	-	-	-	0.33	-	
- Reimbursement of expenses received	-	-	-	-	54.15	286.63	5.71	2.44	
Expenses									
- Brokerage paid	-	-	-	-	1.44	2.56	-	-	
- Interest expense	-	-	-	54.49	949.36	980.10	76.14	6.64	13.00
- Dividend paid	-	-	-	-	1,728.56	-	-	-	-
- Professional/ Consultancy charges	-	-	-	-	-	-	23.07	-	0.75
- Reimbursement of expenses paid	-	-	-	8.65	47.82	28.37	1.96	0.35	-
Non convertible debentures issued	-	-	1.00	-	-	-	-	-	-
Compensation to key management personnel									
- Short term employee benefits	13.68	26.71	28.22	-	-	-	-	-	-
- Sitting fees	1.85	1.20	2.18	-	-	-	-	-	-
- Post employee benefits- gratuity	0.02	0.20	1.32	-	-	-	-	-	-
- Other long-term benefits- compensated absences	(1.45)	0.80	1.28	-	-	-	-	-	-
- Share based payment expenses	(19.74)	49.34	84.43	-	-	-	-	-	-

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Note - 53
Related party disclosures (continued):

(c) Balance outstanding at the end of the period :

Nature of tranactions	Key management personnel			Ultimate Holding Company			Fellow subsidiaries		
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
(i) Loans given	-	-	-	-	-	-	3,686.49	6,190.20	2,446.31
(ii) Loans taken	-	-	-	-	793.00	6,447.00	3,525.00	-	-
(iii) Other payables	-	-	-	-	-	-	97.60	-	-
(iii) Other receivable	-	-	-				1.57	-	
(iii) Deposit for mark to market margin account	-	-	-	-	-	30.91	-	-	-
(iv) Fixed deposits pledged (excluding interest accrued)	-	-	-	-	-	8,710.00	-	-	-

Note: Related party relationships as given above are as identified by the Group.

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(All amounts are in Indian Rupees in million unless stated otherwise)

Note - 54
Financial instruments

A. Financial assets and liabilities

The carrying amounts of financial instruments by category are as follows:

Particulars	Note	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Financial assets measured at fair value				
Investments measured at -				
- Fair value through profit and loss	Note - 11	13,810.47	5,875.40	5,794.09
- At Cost	Note - 11	-	-	60.60
Loans measured at:				
Fair value through other comprehensive income	Note - 10	1,755.02	4,877.36	-
Financial assets measured at amortised cost				
Cash and cash equivalents	Note - 6	10,140.84	19,909.14	9,496.89
Other bank balances	Note - 7	3,513.00	3,872.46	1,504.62
Receivables -				
(i) Trade receivables	Note - 8	982.47	1,311.51	2,003.37
(ii) Other receivables	Note - 9	628.93	586.52	996.54
Loans	Note - 10	39,143.20	43,108.29	105,228.80
Other financial assets	Note - 12	3,714.32	8,585.52	9,470.74
Total		**73,688.25**	**88,126.20**	**134,555.65**

Financial liabilities measured at fair value				
Derivative financial instruments	Note - 18	-	-	20.94
Financial liabilities measured at amortised cost				
Trade payables	Note - 19	526.45	720.78	585.42
Other payables	Note - 20	902.37	339.83	219.19
Debt securities (including interest accrued)	Note - 21	7,706.03	8,042.78	17,389.62
Borrowings (other than debt securities) (including interest accrued)	Note - 22	27,405.83	40,504.71	70,232.55
Lease liabilities	Note - 23	1,339.87	2,410.77	-
Other financial liabilities	Note - 24	3,879.67	1,784.30	4,295.98
Total		**41,760.22**	**53,803.17**	**92,743.70**

B. Fair values hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statements and are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

The categories used are as follows:
Level 1: Quoted prices (unadjusted) for identical instruments in an active market;
Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and
Level 3: Inputs which are not based on observable market data (unobservable inputs).

B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements

As at 31 March 2021	Level 1	Level 2	Level 3	Total
Financial assets				
Investments at fair value through profit and loss				
Mutual fund	13,777.63	-	-	**13,777.63**
Security receipts	-	32.84	-	**32.84**
Loans measured at fair value through other comprehensive income				
Loans	-	-	1,755.02	**1,755.02**

As at 31 March 2020	Level 1	Level 2	Level 3	Total
Financial assets				
Investments at fair value through profit and loss				
Debt securities	5,059.89	-	-	**5,059.89**
Mutual fund	815.51	-	-	**815.51**
Loans measured at fair value through other comprehensive income				
Loans	-	-	4,877.36	**4,877.36**

As at 31 March 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Investments at fair value through profit and loss				
Debt securities	261.75	-	-	**261.75**
Mutual fund	5,532.34	-	-	**5,532.34**
Financial liabilities measured at fair value				
Derivative financial instruments	20.94	-	-	**20.94**

Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:
(a) the use of quoted market prices for quoted equity instruments and debt securities.
(b) for unquoted security receipts, adjusted discounted cash flow method (income approach) has been used.
(c) the use of net asset value for certificate of deposits and mutual funds on the basis of the statement received from investee party.

(All amounts are in Indian Rupees in million unless stated otherwise)

Note - 54
Financial instruments (continued):

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Particulars	Fair value			Significant unobservable inputs
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019	
Loans	1,778.43	4,905.72	-	Estimated cash flows and discount rate

Sensitivity analysis

Description	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Impact of change in rates on total comprehensive income statement			
- Impact due to increase of 1.0%	15.11	40.48	-
- Impact due to decrease of 1.0%	(14.61)	(39.10)	-

Movement of loans measured using unobservable inputs (Level 3):

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
As the beginning of the year	**4,905.72**	**-**	-
Add: Addition during the year	4,415.09	56,968.61	-
Less: Redeemed during the year	(7,612.58)	(52,168.79)	-
Add: Gain recognised in statement of profit and loss	70.20	105.90	-
As the end of the year*	**1,778.43**	**4,905.72**	**-**

*The amounts shown above are gross of ECL allowances.

B.2 Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

Particulars	As at 31 March 2021		As at 31 March 2020		As at 31 March 2019	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Financial assets						
Cash and cash equivalents	10,140.84	10,140.84	19,909.14	19,909.14	9,496.89	9,496.89
Other bank balances	3,513.00	3,513.00	3,872.46	3,872.46	1,504.62	1,504.62
Receivables -						
(i) Trade receivables	982.47	982.47	1,311.51	1,311.51	2,003.37	2,003.37
(ii) Other receivables	628.93	628.93	586.52	586.52	996.54	996.54
Loans	39,143.20	41,918.10	43,108.29	43,114.15	105,228.80	107,836.65
Other financial assets	3,714.32	3,666.81	8,585.52	8,921.00	9,470.74	9,468.36
Total	**58,122.76**	**60,850.15**	**77,373.44**	**77,714.78**	**128,700.96**	**131,306.43**
Financial liabilities						
Trade payables	526.45	526.45	720.78	720.78	585.42	585.42
Other payables	902.37	902.37	339.83	339.83	219.19	219.19
Debt securities	7,706.03	8,014.12	8,042.78	8,545.47	17,389.62	17,389.62
Borrowings (other than debt securities)	27,405.83	27,446.86	40,504.71	40,516.90	70,232.55	70,347.78
Lease liabilities	1,339.87	1,337.28	2,410.77	2,483.67	-	-
Other financial liabilities	3,879.67	3,879.67	1,784.30	1,784.30	4,295.98	4,295.98
Total	**41,760.22**	**42,106.75**	**53,803.17**	**54,390.95**	**92,722.76**	**92,837.99**

The management assessed that fair values of cash and cash equivalents, other financial assets and other financial liabilities approximate their respective carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Financial instruments measured at fair value and fair value of financial instruments carried at amortized cost.

Type	Valuation technique	Significant unobservable input	Inter-relationship between significant unobservable inputs and fair value and sensitivity
Financial assets and liabilities measured at amortized cost	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates	Not applicable	Not applicable
Financial assets measured at FVTPL	NAV based method.	Not applicable	Not applicable
Financial assets measured at FVOCI	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.	The discount rate is the average lending rate at which the loans are disbursed	There is an inverse correlation. Higher the discount rate i.e average lending rate for the disbursed loans, lower the fair value of the assets

(All amounts are in Indian Rupees in million unless stated otherwise)

Note - 55
Financial risk management

i. Risk Management

As a Non-Banking Financial Company (NBFC), the Group is exposed to various risks that are related to lending business and operating environment. The principal objective in Group 's risk management processes is to measure and monitor the various risks that Group is subject to and to follow policies and procedures to address such risks. Group 's risk management framework is driven by Board and its subcommittees including the Audit Committee, the Asset Liability Management Committee and the Risk Management Committee. Group gives due importance to prudent lending practices and have implemented suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, personal verification of a customer's business and residence, technical and legal verifications, conservative loan to value, and required term cover for insurance. The major types of risk Group face in businesses are liquidity risk, credit risk and interest rate risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

In order to avoid excessive concentration of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

A) Credit risk

Credit risk arises from the potential that an obligor is either unwilling to perform on an obligation or its ability to perform such obligation is impaired resulting in economic loss to the company. The Group's exposure to credit risk is influenced mainly by cash and cash equivalents, Other bank balances, investments, loan assets, trade receivables and other financial assets. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

a) Credit risk management

Based on business environment in which the Group operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. The Group assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

(i) Low credit risk
(ii) Moderate credit risk
(iii) High credit risk

The Group provides for expected credit loss based on the following:

Nature	Assets covered	Basis of expected credit loss
Low credit risk	Cash and cash equivalents, Other bank balances, investments, loans, trade receivables, security deposits and other financial assets	12 month expected credit loss
Moderate credit risk	Loans	Life time expected credit loss
High credit risk	Loans, trade receivable, other receivable, security deposits	Life time expected credit loss or fully provided for

Assets are written off when there is no reasonable expectation of recovery. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

Financial assets that expose the entity to credit risk*

Particulars	**As at 31 March 2021**	**As at 31 March 2020**	**As at 31 March 2019**
(i) Low credit risk			
Cash and cash equivalents	10,140.84	19,909.14	9,496.89
Other bank balances	3,513.00	3,872.46	1,504.62
Trade receivables	982.47	1,311.51	1,774.51
Other receivables	628.93	586.52	895.81
Loans	33,240.66	50,153.03	103,653.66
Investments	13,777.63	5,875.40	5,794.09
Other financial assets	3,714.32	8,391.94	9,468.44
(ii) Moderate credit risk			
Loans	7,779.46	2,220.15	733.85
(iii) High credit risk			
Loans	427.01	909.49	841.29
Investments	210.10	-	-
Trade receivables	311.69	709.47	228.86
Other receivables	335.31	389.46	100.73
Other financial assets	165.57	193.58	2.30

* These represent gross carrying values of financial assets, without deduction for expected credit losses

(All amounts are in Indian Rupees in million unless stated otherwise)

Note - 55
Financial risk management (continued):

Cash and cash equivalents and bank deposits
Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.
Trade and other receivables
Credit risk related to trade and other receivables are managed by monitoring the recoverability of such amounts continuously.
Other financial assets measured at amortized cost
Other financial assets measured at amortized cost includes loans to employees, security deposits, interest spread on assigned assets and other recoverable. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

Loans
The Group closely monitors the credit-worthiness of the borrower's through internal systems and project appraisal process (wherever applicable) to assess the credit risk and define credit limits of borrower, thereby, limiting the credit risk to pre-calculated amounts. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. The Group assesses increase in credit risk on an ongoing basis for amounts loan assets that become past due and default is considered to have occurred when amounts receivable become one year past due.

The major guidelines for selection of the client includes:
• The client's income and indebtedness levels
• The client must possess the required KYC documents
• Client must agree to follow the rules and regulations of the Group
• Credit bureau check – In order to deal with the problem of over extension of credit and indebtedness of the client, the Group undertakes credit bureau checks for every client. The credit bureau check helps the Group in identifying clients with poor repayment histories and multiple loans.

Category*	Inputs	Assumptions
Corporate borrowers	1. Historical data as per Industry trends 2. Supplemental external information that could affect the borrowers behaviour 3. Discount rate is based on internal rate of return on the loan	1. Recoverability assumptions for stage 3 loan assets and related assessment with value of collateral 2. Management judgement is applied to determine the economic scenarios and the application of probability weights
Retail borrowers		

* The Group has used forward looking information in form of GDP growth rate and unemployment rate specific to the sector.

Assets are written off when there is no reasonable expectation of recovery. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

b) Credit risk exposure
i) Expected credit losses for financial assets other than loans

As at 31 March 2021	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	10,140.84	-	10,140.84
Other bank balances	3,513.00	-	3,513.00
Investments	13,987.73	(177.26)	13,810.47
Trade receivables	1,294.16	(311.69)	982.47
Other receivables	964.24	(335.31)	628.93
Other financial assets	3,879.89	(165.57)	3,714.32

As at 31 March 2020	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	19,909.14	-	19,909.14
Other bank balances	3,872.46	-	3,872.46
Trade receivables	2,020.98	(709.47)	1,311.51
Other receivables	975.98	(389.46)	586.52
Other financial assets	8,779.10	(193.58)	8,585.52

As at 31 March 2019	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	9,496.89	-	9,496.89
Other bank balances	1,504.62	-	1,504.62
Trade receivables	2,232.23	(228.86)	2,003.37
Other receivables	1,097.27	(100.73)	996.54
Other financial assets	9,473.04	(2.30)	9,470.74

(All amounts are in Indian Rupees in million unless stated otherwise)

Note - 55
Financial risk management (continued):

Reconciliation of loss allowance provision from beginning to end of reporting period:

Reconciliation of loss allowance	Trade receivables	Other receivables	Investments	Other financial assets
Loss allowance on 01 April 2018	**244.93**	**128.42**	**-**	**1.80**
Impairment loss recognised during the year	30.62	-	-	0.50
Loss allowance written back	(46.69)	(27.69)	-	-
Write - offs	-	-	-	-
Loss allowance on 01 April 2019	**228.86**	**100.73**	**-**	**2.30**
Impairment loss recognised during the year	524.19	288.73	-	191.57
Loss allowance written back	(43.58)	-	-	(0.29)
Write - offs	-	-	-	-
Loss allowance on 31 March 2020	**709.47**	**389.46**	**-**	**193.58**
Impairment loss recognised during the year	30.00	-	177.26	-
Loss allowance written back	(138.55)	(54.15)	-	(28.01)
Write - offs	(289.23)	-	-	-
Loss allowance on 31 March 2021	**311.69**	**335.31**	**177.26**	**165.57**

ii) **Expected credit losses for loans**

Definition of default:

The Company considers default in all cases when the borrower becomes 90 days past due on its contractual payments. 'The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the probability of default, exposure at default and loss given default.

Changes in the gross carrying amount in relation to loans from beginning to end of reporting period:

Particulars	Stage 1	Stage 2	Stage 3
Gross carrying amount as at 01 April 2018	**40,029.72**	**124.76**	**20.80**
Assets originated and acquired	98,603.68	-	-
Net transfer between stages and de-recognition	(1,859.24)	888.33	970.90
Assets written-off	(31,871.77)	(279.25)	(150.40)
Gross carrying amount as at 01 April 2019	**104,902.39**	**733.84**	**841.30**
Assets originated and acquired	123,278.90	-	-
Net transfer between stages and de-recognition	(178,028.26)	1,486.30	3,688.74
Assets written-off	-	-	(3,620.54)
Gross carrying amount as at 31 March 2020	**50,153.03**	**2,220.14**	**909.50**
Assets originated and acquired	48,202.27	-	-
Net transfer between stages and de-recognition	(65,114.64)	5,559.32	5,202.19
Assets written-off	-	-	(1,841.55)
Gross carrying amount as at 31 March 2021	**33,240.66**	**7,779.46**	**4,270.14**

Reconciliation of loss allowance provision from beginning to end of reporting period:

Reconciliation of loss allowance	Stage 1	Stage 2	Stage 3
Loss allowance on 01 April 2018	**120.92**	**12.53**	**16.71**
Increase of provision due to assets originated and purchased during the year	413.52	-	-
Net transfer between stages and written back	(813.40)	218.71	594.68
Loss allowance written back	719.72	(1.43)	(33.23)
Loss allowance on 01 April 2019	**440.76**	**229.81**	**578.16**
Increase of provision due to assets originated and purchased during the year	4,369.92	-	-
Net transfer between stages and written back	(711.58)	404.58	(2,641.41)
Loss allowance written back	-	-	2,626.78
Loss allowance on 31 March 2020	**4,099.10**	**634.39**	**563.53**
Increase of provision due to assets originated and purchased during the year	244.34	-	-
Net transfer between stages and written back	(4,131.45)	234.34	4,240.95
Loss allowance written back	-	-	(1,493.16)
Loss allowance on 31 March 2021	**211.99**	**868.73**	**3,311.32**

c) **Concentration of loans**

Prudent risk management involves the minimisation of concentration risk by diversifying the loan portfolio. Setting up exposure limit for particular industry, sector, geographical area, product, etc. is essential to reduce the concentration of the loan portfolio.

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Retail borrowers	29,872.65	40,133.35	73,891.78
Borrowers other than retail borrowers	15,417.61	13,149.32	32,585.75
Total	**45,290.26**	**53,282.67**	**106,477.53**

Loans secured against collateral

Group's secured portfolio has security base as follows::

Particulars	Value of loans		
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Secured by tangible assets	7,195.83	11,816.21	49,430.67
Secured by other assets	-	116.19	177.67

Wherever required, the Group holds other types of collateral and credit enhancements, such as cross-collateralisation on other assets of the borrower, pledge of securities, guarantees of promoters/proprietors, hypothecation of receivables via escrow account, hypothecation of receivables in other bank accounts, etc.

The Group does not physically possesses properties or other assets in its normal course of business but makes efforts toward recovery of outstanding amounts on delinquent loans. Once contractual loan repayments are more than 90 days past due, possession of property may be initiated. Possessed property is disposed of in the manner prescribed under the regulatory guidance to recover outstanding debt.

(All amounts are in Indian Rupees in million unless stated otherwise)

Note - 55
Financial risk management (continued):

B) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

The Group maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors the Group's liquidity positions (also comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. The Group also takes into account liquidity of the market in which the entity operates.

i) Financing arrangements

The Group had access to the following funding facilities:

As at 31 March 2021	Total facility	Drawn	Undrawn
- Expiring within one year	2,545.00	50.00	2,495.00
- Expiring beyond one year	-	-	-
Total	**2,545.00**	**50.00**	**2,495.00**

As at 31 March 2020	Total facility	Drawn	Undrawn
- Expiring within one year	658.24	259.01	399.23
- Expiring beyond one year	-	-	-
Total	**658.24**	**259.01**	**399.23**

As at 31 March 2019	Total facility	Drawn	Undrawn
- Expiring within one year	13,949.67	13,336.73	612.94
- Expiring beyond one year	-	-	-
Total	**13,949.67**	**13,336.73**	**612.94**

ii) Maturities of financial assets and liabilities

The tables below analyse the Group financial assets and liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows:

As at 31 March 2021	Less than 1 year	1-3 years	More than 3 years	Total
Cash and cash equivalents	10,140.84	-	-	10,140.84
Other bank balances	3,482.69	30.31	-	3,513.00
Trade receivables	730.52	514.68	62.89	1,308.09
Other receivable	85.15	879.09	-	964.24
Loans	19,769.70	22,657.39	23,133.50	65,560.59
Investments	13,987.73	-	-	13,987.73
Other financial assets	3,105.42	644.32	499.49	4,249.23
Total undiscounted financial assets	**51,302.05**	**24,725.79**	**23,695.88**	**99,723.72**
Debt securities	4,671.42	3,380.57	562.07	8,614.06
Borrowings (other than debt securities)	17,726.84	11,325.13	905.57	29,957.54
Trade payables	526.45	-	-	526.45
Other payables	902.37	-	-	902.37
Lease liabilities	310.20	555.91	978.40	1,844.51
Other financial liabilities	3,879.67	-	-	3,879.67
Total undiscounted financial liabilities	**28,016.95**	**15,261.61**	**2,446.04**	**45,724.60**
Net undiscounted financial assets/(liabilities)	**23,285.10**	**9,464.18**	**21,249.84**	**53,999.12**

As at 31 March 2020	Less than 1 year	1-3 years	More than 3 years	Total
Cash and cash equivalents	19,912.18	-	-	19,912.18
Other bank balances	3,965.38	-	-	3,965.38
Trade receivables	928.44	825.42	287.26	2,041.12
Other receivable	48.37	407.14	520.47	975.98
Loans	34,814.28	18,730.53	31,942.56	85,487.37
Investments	5,846.84	-	28.56	5,875.40
Other financial assets	7,244.26	1,991.32	194.77	9,430.35
Total undiscounted financial assets	**72,759.75**	**21,954.41**	**32,973.62**	**127,687.78**
Debt securities	1,552.66	6,502.06	1,739.77	9,794.49
Borrowings (other than debt securities)	21,984.37	21,955.44	1,825.91	45,765.72
Trade payables	720.78	-	-	720.78
Other payables	339.83	-	-	339.83
Lease liabilities	543.95	1,035.22	1,764.91	3,344.08
Other financial liabilities	1,784.30	-	-	1,784.30
Total undiscounted financial liabilities	**26,925.89**	**29,492.72**	**5,330.59**	**61,749.20**
Net undiscounted financial assets/(liabilities)	**45,833.86**	**(7,538.31)**	**27,643.03**	**65,938.58**

(All amounts are in Indian Rupees in million unless stated otherwise)

Note - 55
Financial risk management (continued):

As at 31 March 2019	Less than 1 year	1-3 years	More than 3 years	Total
Cash and cash equivalents	10,385.85	680.18	-	11,066.03
Other bank balances	-	-	-	-
Trade receivables	328.68	1,647.61	255.94	2,232.23
Other receivable	18.00	1,079.27	-	1,097.27
Loans	46,398.32	64,530.85	27,932.81	138,861.98
Investments	5,766.34	-	88.36	5,854.70
Other financial assets	7,817.67	1,657.54	197.20	9,672.41
Total undiscounted financial assets	**70,714.86**	**69,595.45**	**28,474.31**	**168,784.62**
Debt securities	10,305.07	6,934.65	2,416.10	19,655.82
Borrowings (other than debt securities)	43,073.56	21,693.20	8,896.69	73,663.45
Trade payables	585.42	-	-	585.42
Other payables	181.94	-	-	181.94
Lease liabilities	-	-	-	-
Other financial liabilities	4,295.98	-	-	4,295.98
Derivatives (net settled)				
Index linked derivatives	20.94	-	-	20.94
Total undiscounted financial liabilities	**58,462.91**	**28,627.85**	**11,312.79**	**98,403.55**
Net undiscounted financial assets/(liabilities)	**12,251.95**	**40,967.60**	**17,161.52**	**70,381.07**

C) Market risk

a) Interest rate risk

i) Liabilities

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2021, the Group is exposed to changes in market interest rates through debt securities and other borrowings at variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the Group to interest rate risk:

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Variable rate liabilities			
Debt securities	-	-	-
Borrowings (other than debt securities)	13,937.32	22,965.43	43,581.46
Fixed rate liabilities			
Debt securities	7,619.39	7,967.72	17,348.62
Borrowings (other than debt securities)	13,401.66	17,518.16	26,570.29

Sensitivity

Below is the sensitivity of profit or loss in interest rates.

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest sensitivity on borrowings (other than debt securities)*			
Interest rates – increase by 0.50%	69.69	1,654.03	690.43
Interest rates – decrease by 0.50%	(69.69)	(1,654.03)	(690.43)

** Holding all other variables constant*

ii) Assets

The Group's term deposits and commercial paper/deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

c) Price risk

i) Exposure

The Group's exposure price risk arises from investments held and classified in the balance sheet at fair value through profit or loss. To manage the price risk arising from investments, the Group diversifies its portfolio of assets.

ii) Sensitivity

The table below summarises the impact of increases/decreases of the index on the Group's profit for the period:

Impact on profit after tax

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Mutual funds			
Net assets value – increase by 5%	688.88	40.78	276.62
Net assets value – decrease by 5%	(688.88)	(40.78)	(276.62)
Quoted debt securities			
Market price – increase by 5%	-	252.99	13.09
Market price – decrease by 5%	-	(252.99)	(13.09)

(All amounts are in Indian Rupees in million unless stated otherwise)

Note - 56
Capital Management

The Group's capital management objectives are
- to ensure the Group's ability to continue as a going concern
- to comply with externally imposed capital requirement and maintain strong credit ratings
- to provide an adequate return to shareholders

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Group's various classes of debt. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Particulars	**As at 31 March 2021**	**As at 31 March 2020**	**As at 31 March 2019**
Debt securities (including interest accrued)	7,706.03	8,042.78	17,389.62
Borrowings (other than debt securities) (including interest accrued)	27,405.83	40,504.71	70,232.55
Total debt	**35,111.86**	**48,547.49**	**87,622.17**
Equity attributable to the owners of the Holding Company	40,279.39	41,429.47	44,476.29
Net debt to equity ratio	**0.87**	**1.17**	**1.97**

Note - 57
Fair value hedges

A. Risk management strategy

The use of derivatives can give rise to price risk. The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The price risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes. The Group uses derivative instruments as part of its management of exposure to fluctuations in market price of equity investments. The derivative transactions are normally in the form of futures and these are subject to the Group guidelines and policies.

B. Hedge relationship

The Group has done investment in shares of Reliance Industries Limited. The Group enters into selling of future of Reliance Industries Limited to hedge its price risk. Gains and losses on these hedge transactions are substantially offset by the amount of gains or losses on the underlying assets. Net gains and losses are recognized in the statement of profit and loss.

Hedge ratio is the relationship between the quantity of the hedging instrument and the quantity of the hedged item. In the case, total principal payments under the transaction is hedged with futures of the equivalent amount and at the same dates. Hence the entity hedge 100% of its exposure on the transaction and is considered highly effective. The Group has entered into nifty future contracts which provide an economic hedge to a risk component of a transaction.

C. Other hedge related disclosures

The fair value of the Group's derivative positions recorded under derivative financial liabilities are as follows:

31-Mar-21

Type of hedge and risk	**Change in fair value of hedging instrument**	**Maturity date**	**Change in value of hedged item used as a basis of recognising hedge effectiveness**	**Hedge ratio**
Equity futures (loss)/gain	-	-	-	-

Particulars	**Carrying amount of derivative liabilities**	**Carrying amount of investments**	**Amount charged to statement of profit and loss**
Investments	-	-	-

31-Mar-20

Type of hedge and risk	**Change in fair value of hedging instrument**	**Maturity date**	**Change in value of hedged item used as a basis of recognising hedge effectiveness**	**Hedge ratio**
Equity futures (loss)/gain	-	-	-	-

Particulars	**Carrying amount of derivative liabilities**	**Carrying amount of investments**	**Amount charged to statement of profit and loss**
Investments	-	-	-

31-Mar-19

Type of hedge and risk	**Change in fair value of hedging instrument**	**Maturity date**	**Change in value of hedged item used as a basis of recognising hedge effectiveness**	**Hedge ratio**
Equity futures (loss)/gain	(263.39)	27-09-2018	283.01	1:1

Particulars	**Carrying amount of derivative liabilities**	**Carrying amount of investments**	**Amount charged to statement of profit and loss**
Investments	-	-	19.61

(All amounts are in Indian Rupees in million unless stated otherwise)

Note - 58
Transferred financial assets

A) Securitisation

In the course of its finance activity, the Group makes transfers of financial assets, where legal rights to the cash flows from the asset are passed to the counterparty and where the Group retains the rights to the cash flows but assumes a responsibility to transfer them to the counterparty.

The Group has securitized its loan assets to an unrelated and unconsolidated entities. As per the terms of the agreements, the Group is exposed to first loss default guarantee and cash collateral amounting in range of 14% to 18% of the amount securitised and therefore continues to be exposed to significant risk and rewards relating to the underlying receivables. Hence, these loan assets are not derecognised and proceeds received are presented as borrowings (other than debt seciurities).

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

Securitisations	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Gross carrying amount of securitised assets	3,172.16	8,911.25	4,219.70
Gross carrying amount of associated liabilities	4,083.87	9,215.61	4,082.86
Carrying value and fair value of securitised assets	4,893.50	9,256.79	4,311.20
Carrying value and fair value of associated liabilities	4,083.87	9,215.61	4,082.85
Net position	**809.63**	**41.19**	**228.35**

B) Assignment

During the year ended 31 March 2020, the Group has sold certain loans by way of direct bilateral assignment, as a source of finance. As per the terms of such deals, since the derecognition criteria as per Ind AS 109 are met, (including transfer of substantial risks and rewards) relating to assets being transferred to the buyer, the assets have been derecognised from the books of the Group.

The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain/(loss) on derecognition.

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Carrying amount of de-recognised financial asset	3,671.10	58,883.79	6,064.81
Gain on sale of the de-recognised financial asset	254.97	6,166.90	325.76

Since the Group has derecognized the above loan assets in entirety, the whole of the interest spread at the present value (discounted over the expected life of the assets) is recognised on the date of derecognition itself as interest-only strip receivable and corresponding profit on derecognition of financial assets is recognized in the Statement of Profit and Loss.

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(All amounts are in Indian Rupees in million unless stated otherwise)

Note - 59
Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities.

	As at 31 March 2021		As at 31 March 2020		As at 31 March 2019	
	Within 12 months	**After 12 months**	**Within 12 months**	**After 12 months**	**Within 12 months**	**After 12 months**
ASSETS						
Financial assets						
Cash and cash equivalents	10,140.84	-	19,909.14	-	9,496.89	-
Other bank balances	3,461.48	51.52	3,842.00	30.46	832.64	671.98
Receivables	-	-	-	-	-	-
Trade receivables	584.94	397.53	606.28	705.23	297.82	1,705.55
Other receivables	35.76	593.17	29.07	557.45	18.00	978.54
Loans	17,460.73	23,437.49	23,765.73	24,219.92	45,448.83	59,779.97
Investments	5,675.61	8,134.86	5,846.84	28.56	5,766.33	88.36
Other financial assets	2,801.09	913.23	6,735.24	1,850.28	7,762.84	1,707.90
	40,160.45	**33,527.80**	**60,734.30**	**27,391.90**	**69,623.35**	**64,932.30**
Non-financial assets						
Current tax assets (net)	1,569.78	4.05	1,330.57	9.23	401.83	-
Deferred tax assets (net)	-	1,300.16	-	795.06	-	635.81
Investment accounted for using equity method	-	-	-	-	0.01	356.75
Property, plant and equipment	-	619.98	-	674.63	-	371.62
Right-of-use assets	-	1,215.45	415.81	1,866.22	-	-
Intangible assets under development	-	38.05	-	54.26	-	24.61
Goodwill	-	648.30	-	358.67	-	-
Other intangible assets	-	769.22	-	957.82	-	536.41
Other non-financial assets	666.04	2,588.29	1,338.74	1,354.56	1,020.41	104.30
	2,235.82	**7,183.50**	**3,085.12**	**6,070.45**	**1,422.25**	**2,029.50**
TOTAL ASSETS (A)	**42,396.27**	**40,711.30**	**63,819.42**	**33,462.35**	**71,045.60**	**66,961.80**
LIABILITIES						
Financial liabilities						
Derivative Financial Instruments	-	-	-	-	20.94	-
Payables	-	-	-	-	-	
Trade payables	-	-	-	-	-	
(i) total outstanding dues of micro enterprises and small enterprises	-	-	0.24	-	-	-
(ii) total outstanding dues of creditors other then micro enterprises and small enterprises	526.45	-	720.54	-	585.42	-
Other payables	-	-	-	-	-	
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other then micro enterprises and small enterprises	902.37	-	339.83	-	219.19	-
Debt securities	4,292.44	3,413.59	825.06	7,217.72	6,788.99	10,600.63
Borrowings (other than debt securities)	18,499.62	8,906.21	18,921.57	21,583.14	39,710.76	30,521.79
Lease liabilities	178.78	1,161.09	314.80	2,095.97	-	-
Other financial liabilities	3,879.67	-	1,784.30	-	4,295.98	-
	28,279.33	**13,480.89**	**22,906.34**	**30,896.83**	**51,621.28**	**41,122.42**
Non-financial Liabilities						
Current tax liabilities (net)	3.80	-	-	-	-	-
Provisions	3.98	225.38	6.44	262.02	227.04	132.90
Deferred tax liabilities	-	-	-	-	-	-
Other non-financial liabilities	183.60	-	616.39	-	401.44	25.53
	191.38	**225.38**	**622.83**	**262.02**	**628.48**	**158.43**
TOTAL LIABILITIES (B)	**28,470.71**	**13,706.27**	**23,529.17**	**31,158.85**	**52,249.76**	**41,280.85**
NET (A-B)	**13,925.56**	**27,005.03**	**40,290.25**	**2,303.50**	**18,795.84**	**25,680.95**

Note - 60

Consequent to the outbreak of the COVID-19 pandemic, the Indian Government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the Government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases. The impact of COVID-19, including changes in customer behavior and pandemic fears, as well as restriction of business and individual activities led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. This may lead to a rise in the number of borrower defaults and consequently an increase in corresponding provisions. The extent to which COVID-19 pandemic, including the current "second wave" that has significantly increased the number of cases in India, will continue to impact the Company's performance and will depend on ongoing as well as future developments which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by us.

The Group has recognized provisions as on 31 March 2021 towards its loan assets, based on the information available at this point of time, in accordance with the expected credit loss method. The Group believes that it has considered all the possible impact of the known events arising out of COVID-19 pandemic in the preparation of consolidated financial statements. However, the impact assessment of COVID-19 is a continuing process given its nature and duration. The Group will continue to monitor any material changes to future economic condition.

The Group's capital and liquidity position remains sufficient and would continue to be the focus area for the Company; accordingly, the Company does not expect a stress on its liquidity situation in the immediate future.

COVID 19 Regulatory Package -
(i) Asset classification and provisioning pursuant to the notification Vide:DOR.No.BP.BC.63/21.04.048/2019-20 dated 17 April 2020:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
(i) Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of abovementioned the RBI circular.	2,295.77	894.25
(ii) Respective amount where asset classification benefits is extended	2,284.51	894.25
(iii) Provisions made during the quarter ended 31 March 2020 in terms of paragraph 5 of the above circular	229.58	89.43
(iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6	-	-

During the year, to relieve COVID-19 pandemic related stress, the Company has invoked resolution plans for eligible borrowers based on the parameters laid down in accordance with the one-time restructuring policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI on 6 August 2020

(ii) Disclosures for the year ended 31 March 2021 pursuant to RBI Notification RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 06 August 2020.

Type of borrower	(A) Number of accounts where resolution plan has been implemented under	(B) exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal Loans	285,588	3,148.49	-	-	216.15
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**285,588**	**3,148.49**	**-**	**-**	**216.15**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

(iii) Disclosures for the year ended 31 March 2021 pursuant to RBI Notification RBI/2020-21/17 DOR.No.BP.BC/3/21.04.048/2020-21 dated 06 August 2020 (for restructuring of accounts of Micro, Small and Medium Enterprises (MSME) sector – Restructuring of advances having exposure less than or equal to ₹ 25 crores).

Type of borrower	Number of accounts restructured	(Amount in ₹ Million)
MSMEs	97	35.89
Total	**97**	**35.89**

(iv) COVID 19 Regulatory Package -
Asset classification and provisioning for the year ended 31 March 2020 pursuant to the notification Vide:DOR.No.BP.BC.63/21.04.048/2019-20 dated 17 April 2020:

Particulars	Amount
(i) Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of abovementioned the RBI circular.	894.25
(ii) Respective amount where asset classification benefits is extended	894.25
(iii) Provisions made during the quarter ended 31 March 2020 in terms of paragraph 5 of the above circular	89.43
(iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6	-

Dhani Loans and Services Limited
(Formerly known as Indiabulls Consumer Finance Limited)
Annexure - V
Summary of significant accounting policies and other explanatory information to Reformatted Consolidated Ind AS Financial Information
(All amounts are in Indian Rupees in million unless stated otherwise)

Note - 61
Additional information as required by paragraph 2 of the general instructions for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013:

Name of the entity	As at 31 March 2021							
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent Company								
Dhani Loans and Services Limited (formerly, Indiabulls Consumer Finance Limited)	79.97%	32,731.85	102.34%	(1,185.41)	80.75%	15.16	102.70%	(1,170.25)
Subsidiaries (Indian)								
Indiabulls Investment Advisors Limited	6.64%	2,719.52	3.63%	(42.02)	22.93%	4.30	3.31%	(37.72)
Indiabulls Distribution Services Limited	12.19%	4,991.22	(13.99%)	162.01	0.00%	-	(14.22%)	162.01
Indiabulls Alternate Investments Limited	0.06%	22.81	(0.97%)	11.26	0.00%	-	(0.99%)	11.26
Transerv Limited (formerly Transerv Private Limited)	(0.45%)	(186.02)	5.33%	(61.73)	(3.68%)	(0.69)	5.48%	(62.42)
Non Controlling interest in all subsidiaries	1.59%	651.21	3.66%	(42.36)	0.00%	-	3.72%	(42.36)
Total	**100.00%**	**40,930.60**	**100.00%**	**(1,158.25)**	**100.00%**	**18.77**	**100.00%**	**(1,139.48)**

Name of the entity	As at 31 March 2020							
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent Company								
Dhani Loans and Services Limited (formerly, Indiabulls Consumer Finance Limited)	68.57%	29,205.08	(42.22%)	158.01	97.93%	72.83	(76.97%)	230.84
Subsidiaries (Indian)								
Indiabulls Investment Advisors Limited	6.33%	2,695.72	160.07%	(599.10)	(0.95%)	(0.71)	200.00%	(599.81)
Indiabulls Distribution Services Limited	20.09%	8,557.62	15.52%	(58.08)	0.00%	-	19.37%	(58.08)
Indiabulls Alternate Investments Limited	0.16%	70.05	(3.22%)	12.03	0.00%	-	(4.01%)	12.03
Transerv Limited (formerly Transerv Private Limited)	0.66%	279.59	(19.34%)	72.36	1.27%	0.94	(24.45%)	73.30
Non Controlling interest in all subsidiaries	4.19%	1,785.69	(10.82%)	40.50	1.75%	1.30	(13.94%)	41.80
Total	**100.00%**	**42,593.75**	**100.00%**	**(374.28)**	**100.00%**	**74.36**	**100.00%**	**(299.92)**

Dhani Loans and Services Limited
(Formerly known as Indiabulls Consumer Finance Limited)
Annexure - V
Summary of significant accounting policies and other explanatory information to Reformatted Consolidated Ind AS Financial Information
(All amounts are in Indian Rupees in million unless stated otherwise)

Note - 62
Group information

A. Information about subsidiary companies

Name of subsidiaries	Country of incorporation	% of holding and voting power either directly or indirectly through subsidiary		
		As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Indiabulls Investment Advisors Limited	India	100.00%	100.00%	100.00%
Indiabulls Distribution Services Limited	India	86.04%	86.04%	86.04%
Indiabulls Alternate Investments Limited	India	86.04%	86.04%	86.04%
Transerv Limited (formerly known as Transerv Private Limited) (Entity was associate as on 31 March 2019) (Refer "C" - Information on Associates)	India	100.00%	42.00%	0.00%

B. Subsidiary with material non-controlling interests (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Name of entity	Principal activities	Proportion of ownership interests and voting rights held by NCI		
		As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Transerv Limited	Wallet Business	0.00%	58.00%	Not applicable

Summarised financial information for Transerv Limited is set out below:

Particulars	As at 31 March 2020	As at 31 March 2019
Financial assets	187.87	NA
Non-financial assets	914.95	
Total assets	**1,102.82**	
Financial liabilities	497.60	
Non-financial Liabilities	56.52	
Total liabilities	**554.12**	
Equity attributable to the owners of the Holding Company	77.97	
Non-controlling interests	470.73	

(All amounts are in Indian Rupees in million unless stated otherwise)

Note - 62
Group information (continued)

C. Information about associates

Name of associates	Country of incorporation	% of holding and voting power either directly or indirectly through subsidiary		
		As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Transerv Limited (formerly known as Transerv Private Limited)	India	0.00%	0.00%	33.00%

During the year ended 31 March 2019, the Group had 33% shareholding in Transerv Limited (formerly known as Transerv Private Limited). The Group exercises significant influence over Transerv Limited and accordingly, the same has been accounted for as an "Associate" as per the provisions of Ind AS 28 "Investments in associates and joint venture". The Group's interest in Transerv Limited was accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in Transerv Limited:

Particulars	As at 31 March 2019
Total assets	260.55
Total liabilities	180.15
Equity	80.41
Total revenue for the period*	0.98
Total expenses for the period*	1.84
Loss for the period*	0.86
Group's share of loss for the period*	0.28

**from 29 March 2019 to 31 March 2019*

(i) The associate has commitments outstanding as at 31 March 2019.
(ii) The associate has no contingent liabilities as at 31 March 2019.
(iii) During the year ended 31 March 2020, the Group has further acquired 9% shareholding and total shareholding stood at 42%. By virtue of control as per Ind AS 110- Consolidated Financial Statement, "Transerv Limited" has become subsidiary of the Group and same is consolidated in the consolidated financial statements for the financial year 2019-20.

(All amounts are in Indian Rupees in million unless stated otherwise)

Note - 62

As at 31 March 2021, there were no dues required to be credited to the Investor Education and Protection Fund under Section 124(5) of the Act. (31 March 2020: ₹ Nil and 31 March 2019: ₹ Nil).

In terms of our report of even date attached.

For Hem Sandeep & Co. Chartered Accountants Firm's registration no. : 009907N	**For and on behalf of the Board of Directors**			
Ajay Sardana Partner Membership No.: 089011	**Pinank Jayant Shah** Whole Time Director & Chief Executive Officer DIN: 07859798	**Ajit Kumar Mittal** Director DIN: 02698115	**Rajeev Lochan Agrawal** Chief Financial Officer	**Manish Rustagi** Company Secretary
Place: New Delhi Date: 25 March 2022	Place: Mumbai Date: 25 March 2022	Place: Mumbai Date: 25 March 2022	Place: Gurugram Date: 25 March 2022	Place: Gurugram Date: 25 March 2022

Dhani Loans and Services Limited
(Formerly known as Indiabulls Consumer Finance Limited)
Annexure - VI
Statement of Dividend

Dividend on Equity Shares

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Equity Share Capital (₹ in million)	611.88	611.88	611.88
Face Value per Equity Share (in ₹)	10.00	10.00	10.00
Interim Dividend on Equity Shares (₹ per Equity Share)	-	28.25	18.85
Amount of total Dividend on Equity Shares (₹ in million)	-	1,728.56	462.80
Dividend Distribution Tax (₹ in million)	-	355.31	95.13
Rate of Dividend (in %)	-	282.50%	188.50%

Dividend on Preference Shares

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Preference Share Capital (₹ in million)	-	-	-
Face Value Per Preference Share (in ₹)	-	-	10.00
Interim Dividend on Preference Shares (₹ per Share)	-	-	0.00
Amount of total Dividend on Preference Shares (₹ in million)	-	-	0.00*
Dividend Distribution Tax (₹ in million)	-	-	0.00*
Rate of Dividend (in %)	-	-	0.001%

*Interim Dividend on preference shares was ₹550 and corporate dividend tax of ₹113 for the financial year ended 31 March 2019.

For and on behalf of the Board of Directors

Pinank Jayant Shah
Whole Time Director &
Chief Executive Officer
DIN: 07859798
Place: Mumbai

Ajit Kumar Mittal
Director
DIN: 02698115

Place: Mumbai

Rajeev Lochan Agrawal
Chief Financial Officer
Place: Gurugram

Manish Rustagi
Company Secretary
Place: Gurugram

Date: 25 March 2022

Independent Auditors' Examination Report on the Reformatted Standalone Financial Information of Dhani Loans and Services Limited (Formerly Indiabulls Consumer Finance Limited)

To
Board of Directors
Dhani Loans and Services Limited
(Formerly Indiabulls Consumer Finance Limited)
M-62 & 63, First Floor,
Connaught Place,
New Delhi – 110 001, India

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 Rs. 1,000 each (the "NCDs"), aggregating up to Rs. 1,000 million ("Base Issue") with an option to retain oversubscription up to Rs. 1,000 million, aggregating up to Rs. 2,000 million ("Issue Size") ("Issue").

Dear Sirs/Madams,

1. We have examined the attached Reformatted Standalone Financial Information of Dhani Loans and Services Limited (Formerly Indiabulls Consumer Finance Limited) (the "**Company**"), as at and for each of the years ended on March 31, 2021, 2020 and 2019, comprising the Reformatted Standalone Statement of Assets and Liabilities as at March 31, 2021, March 31, 2020 and March 31, 2019, the Reformatted Standalone Statement of Profit and Loss (including other comprehensive income), the Reformatted Standalone Statement of Cash Flows, the Reformatted Standalone Statement of Changes in Equity for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 and a summary of significant accounting policies and other explanatory information (collectively, the **"Reformatted Standalone Financial Information")** annexed to this report and prepared by the Company for the purpose of inclusion in the Draft Prospectus, (the "**Draft Prospectus**") and/or the Prospectus (**"the Prospectus"**) to be filed by the Company with the Securities and Exchange Board of India ("**SEBI**"), BSE Limited, National Stock Exchange of India Limited (collectively referred to as "**the Stock Exchanges**") and Registrar of Companies, National Capital Territory of Delhi and Haryana (the "**ROC**"),in connection with its proposed Issue. The Reformatted Standalone Financial Information have been prepared by the management of the Company on the basis of Note 3 of Annexure V to the Reformatted Standalone Financial Information, which have been approved by the Bond Issue Committee of the Board of Directors of the Company at their meeting held on March 25, 2022, and have been prepared by the Company by taking into consideration, the requirements of:

   a) Section 26 of Chapter III of the Companies Act, 2013, as amended (the "**Act**");

   b) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (the "**Regulations**"), issued by SEBI, in pursuance of the Securities and Exchange Board of India Act, 1992 (the "**SEBI Act**"); and

c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("**ICAI**"), as amended from time to time (the "**Guidance Note**").

2. The accompanying Reformatted Standalone Financial Information are prepared on the basis of the audited standalone financial statements (the "**Audited Standalone Financial Statements**") of the Company for the respective years audited by M/s Walker Chandiok and Co. LLP ("**the Erstwhile Auditors**") as referred to in paragraph 3 below.

3. The Erstwhile Auditors have expressed and unmodified opinion on the Audited Standalone Financial Statements of the Company as of and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 vide their reports dated June 18, 2021, June 25, 2020 and April 25, 2019.

4. The figures included in the Reformatted Standalone Financial Information, do not reflect the effect of events that occurred subsequent to the date of the reports on the respective years referred to in paragraph 3 above.

5. The audit report issued by the Erstwhile Auditors on the Audited Standalone Financial Statements for the year ended March 31, 2021, includes the following emphasis of matter paragraph:

   Emphasis of Matter - Effects of COVID 19 pandemic

   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. Our opinion is not modified in respect of this matter.

6. The audit report issued by the Erstwhile Auditors on the Audited Standalone Financial Statements for the year ended March 31, 2020, includes the following emphasis of matter paragraph:

   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. Our opinion is not modified in respect of this matter.

7. The audit report issued by the Erstwhile Auditors on the Audited Standalone Financial Statements for the year ended March 31, 2019, includes the following Other matters paragraph:

   Other Matters:

   The comparative financial information for the transition date opening balance sheet as at 1 April 2017 prepared in accordance with Ind AS included in these standalone financial statements is based on the previously issued statutory financial statements for the year ended 31 March 2017 prepared in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The standalone financial statements for the year ended 31 March 2017 were audited by the Erstwhile auditor whose audit report dated 25 April 2017 expressed an unmodified opinion on those standalone financial statements. The standalone financial statements for the year ended 31 March 2017 have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS. We have audited these adjustments made by the management.

Further, the Company had prepared a separate set of statutory financial statements for the year ended 31 March 2018 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued our audit report dated 23 April 2018. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS. We have audited these adjustments made by the management. Our opinion is not modified in respect of this matter.

Extracts as per Paragraphs 5 to 7 above are from the Erstwhile Auditors reports on the Standalone Financial Statements of the respective years ended March 31, 2021, 2020 and 2019.

8. For the purpose of our examination, we have relied on Auditors' reports dated June 18, 2021, June 25, 2020 and April 25, 2019 issued by the Erstwhile Auditors on the Audited Standalone Financial Statements of the Company as at and for the years ended March 31, 2021, 2020 and 2019 as referred in paragraph 2 above.

Management's Responsibility for the Reformatted Standalone Financial Information

9. Management is responsible for the preparation of the Reformatted Standalone Financial Information, as mentioned in paragraph 1 above, for inclusion in the Draft Prospectus and/or the Prospectus to be filed by the Company in connection with the Issue, on the basis of accounting described in Note 3 of Annexure V to the Reformatted Standalone Financial Information. Management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Reformatted Standalone Financial Information that are free from material misstatement, whether due to fraud and error. The Management and the Board of Directors are also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities, including compliance with the provisions of the laws and regulations that determine the reported amounts and disclosures in the Reformatted Standalone Financial Information.

Auditors' Responsibilities

10. We have examined the Reformatted Standalone Financial Information taking into consideration:

   a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated March 17, 2022 in connection with the proposed Issue;

   b. the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (the "Guidance Note"). The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

   c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Reformatted Standalone Financial Information; and

d. the requirements of Section 26 of the Act, the Regulations and the Guidance Note.

11. The Company proposes to make an offer which comprises an issue of Secured Redeemable Non-Convertible Debentures of face value of Rs.1,000 each by the Company, as may be decided by the Board of Directors of the Company.

12. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by the ICAI.

Reformatted Standalone Financial Information

13. The Audited Standalone Financial Statements of the Company as at and for the years ended March 31, 2021, 2020 and 2019 have been audited by the Erstwhile Auditors of the Company. For the purpose of our examination, we have relied solely on the auditor's reports for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 dated June 18, 2021, June 25, 2020 and April 25, 2019 respectively issued by the Erstwhile Auditors of the Company. We have not carried out any audit tests or review procedures, and accordingly reliance has been placed on the Audited Standalone Financial Statements audited by the Erstwhile Auditors for the said years. These Audited Standalone Financial Statements as at and for the years ended March 31, 2021, 2020 and 2019 form the basis of the Reformatted Standalone Financial Information.

14. The Reformatted Standalone Financial Information has been compiled by the management from Audited Standalone Financial Statements of the Company as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 which were prepared in accordance with the Indian Accounting Standards as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India (referred to as "Ind AS"), which have been approved by the Board of Directors at their meetings held on June 18, 2021, June 25, 2020 and April 25, 2019 respectively.

Our opinion below on the Reformatted Standalone Financial Information is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the Erstwhile Auditors.

Opinion

15. Taking into consideration the requirements of Section 26 of Part I of Chapter III of the Act, the Regulations and the terms of our engagement agreed with you, and based on the reliance placed on the reports of the Erstwhile Auditors, we further report that:

    (a) Reformatted Standalone Financial Information of the Company as at and for each of the years ended March 31, 2021, 2020 and 2019 have been examined by us, as set out in Annexure I to Annexure IV to this report. These Reformatted Standalone Financial Information have been prepared after regroupings as considered appropriate, which is more fully described in significant accounting policies and notes (Refer Annexure V).

    (b) based on our examination as above:

    (i) the Reformatted Standalone Financial Information have to be read in conjunction with the notes given in Annexure V; and

    (ii) the figures of earlier periods have been regrouped (but not restated retrospectively for changes in accounting policies and audit qualifications), as considered appropriate and to conform to the classification adopted for the Reformatted Standalone Financial Information as at and for the year ended March 31, 2021.

Other Financial Information

16. At the Company's request, we have also examined the following other financial information proposed to be included in the Draft Prospectus and/or Prospectus prepared by the Management and approved by the Bond Issue Committee of the Board of Directors of the Company and annexed to this report relating to the Company, as at and for each of the years ended March 31, 2021, 2020 and 2019:

- Statement of Dividend, enclosed as Annexure VI

Other Matters

17. We have not audited any financial statements of the Company as of or for the years ended March 31, 2021, 2020 or 2019 and for any period subsequent to March 31, 2021. Accordingly, we express no opinion on the financial position, profit and loss or cash flows of the Company as of and for the year March 31, 2021, 2020, 2019 or for any date or for any period subsequent to March 31, 2021.

18. In the preparation and presentation of Reformatted Standalone Financial Information based on Audited Standalone Financial Statements, no adjustments have been made for any events occurring subsequent to dates of the audit reports specified in paragraph 2 above.

19. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

20. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by the Erstwhile auditors, nor should this be construed as a new opinion on any of the financial statements referred to herein.

Restrictions on use

21. This report is addressed to and is provided to enable the Company for inclusion in the Draft Prospectus and/or Prospectus, to be filed by the Company in connection with the Issue with the Stock Exchanges, ROC and with the SEBI. The Reformatted Standalone Financial Information may, therefore, not be suitable for another purpose or distributed to any other person, without our prior written consent.

For Hem Sandeep & Co.
Chartered Accountants
Firm Registration No.: 009907N

Ajay Sardana
Partner
Membership No.: 089011
Place: New Delhi
Date: March 25, 2022
UDIN: 22089011AFXVBR6

DHANI LOANS AND SERVICES LIMITED
(Formerly known as Indiabulls Consumer Finance Limited)
ANNEXURE I - REFORMATTED STANDALONE STATEMENT OF ASSETS AND LIABILITIES
(All amounts are in Indian Rupees in millions unless stated otherwise)

	Notes	As at 31-Mar-2021	As at 31-Mar-2020	As at 31-Mar-2019
ASSETS				
1 Financial assets				
(a) Cash and cash equivalents	4	9,961.43	19,668.69	9,307.85
(b) Other bank balances	5	2,428.59	3,379.85	1,453.88
(c) Loans	6	37,211.73	41,795.45	1,05,081.33
(d) Investments	7	24,094.04	19,399.15	5,766.34
(e) Other financial assets	8	837.32	5,219.99	478.94
Total financial assets		**74,533.11**	**89,463.13**	**1,22,088.34**
2 Non-financial assets				
(a) Current tax assets (net)	9	1,256.94	909.37	71.35
(b) Deferred tax assets (net)	10	1,047.85	479.91	339.33
(c) Investment accounted for using equity method	11	-	-	357.04
(d) Property, plant and equipment	12(a)	601.29	630.84	309.33
(e) Right-of-use assets	12(b)	1,214.69	2,209.50	-
(f) Intangible assets under development	12(c)	38.05	54.26	24.61
(g) Other intangible assets	12(d)	446.55	487.96	518.49
(h) Other non-financial assets	13	421.99	1,203.14	868.90
Total non-financial assets		**5,027.36**	**5,974.98**	**2,489.05**
TOTAL ASSETS		**79,560.47**	**95,438.11**	**1,24,577.39**
LIABILITIES AND EQUITY				
LIABILITIES				
1 Financial liabilities				
(a) Derivative financial instruments	14	-	-	20.94
(b) Payables				
(I) Trade payables	15			
(i) Dues of micro enterprises and small enterprises		-	-	-
(ii) Other than micro enterprises and small enterprises		378.56	632.35	580.41
(II) Other payables	16			
(i) Dues of micro enterprises and small enterprises		-	-	-
(ii) Other than micro enterprises and small enterprises		911.49	300.95	181.94
(c) Debt securities	17	7,706.03	8,042.78	17,389.62
(d) Borrowings (other than debt securities)	18	23,879.34	39,699.95	58,362.10
(e) Lease liabilities	19	1,338.99	2,334.33	-
(f) Other financial liabilities	20	3,239.16	1,369.82	4,002.16
Total financial liabilities		**37,453.57**	**52,380.18**	**80,537.17**
2 Non-financial liabilities				
(a) Provisions	21	214.44	244.14	106.75
(b) Other non-financial liabilities	22	135.67	436.41	252.18
Total non-financial liabilities		**350.11**	**680.55**	**358.93**
3 EQUITY				
(a) Equity share capital	23	611.88	611.88	611.88
(b) Instruments entirely equity in nature	24	-	-	-
(c) Other equity	25	41,144.91	41,765.50	43,069.41
Total equity		**41,756.79**	**42,377.38**	**43,681.29**
TOTAL LIABILITIES AND EQUITY		**79,560.47**	**95,438.11**	**1,24,577.39**

The accompanying notes form an integral part of these Reformatted Standalone Financial Informations.

This is Reformatted Standalone Statement of Assets and Liabilities referred to in our report of even date.

For Hem Sandeep & Co
Chartered Accountants
Firm's registration no. : 009907N

For and on behalf of the Board of Directors

Ajay Sardana
Partner
Membership No.: 089011

Pinank Jayant Shah
Whole Time Director &
Chief Executive Officer
DIN: 07859798

Ajit Kumar Mittal
Director
DIN: 02698115

Rajeev Lochan Agrawal
Chief Financial Officer

Manish Rustagi
Company Secretary

Place: New Delhi
Date: 25 March 2022

Place: Mumbai
Date: 25 March 2022

Place: Mumbai
Date: 25 March 2022

Place: Gurugram
Date: 25 March 2022

Place: Gurugram
Date: 25 March 2022

DHANI LOANS AND SERVICES LIMITED
(Formerly known as Indiabulls Consumer Finance Limited)
ANNEXURE II - REFORMATTED STANDALONE STATEMENT OF PROFIT AND LOSS
(All amounts are in Indian Rupees in millions unless stated otherwise)

	Particulars	**Notes**	**Year ended 31-Mar-21**	**Year ended 31-Mar-20**	**Year ended 31-Mar-19**
I	**Revenue from operations**				
(i)	Interest income	26	8,008.09	17,594.50	14,670.49
(ii)	Dividend income	27	-	493.49	253.48
(iii)	Fees and commission income	28	836.36	913.86	1,183.31
(iv)	Net gain on fair value changes	29	305.58	-	75.35
(v)	Net gain on derecogntion of financial assets	30	1,001.78	6,166.90	297.96
	Total revenue from operations		**10,151.81**	**25,168.75**	**16,480.59**
II	Other income	31	476.87	-	19.61
III	**Total Income (I+II)**		**10,628.68**	**25,168.75**	**16,500.20**
IV	**Expenses**				
(i)	Finance costs	32	4,359.09	7,396.61	5,594.78
(ii)	Net loss on fair value changes	29	-	141.52	-
(iii)	Impairment on financial assets	33	1,539.34	8,162.52	1,030.13
(iv)	Employee benefits expense	34	3,034.84	4,178.45	2,299.26
(v)	Depreciation and amortisation	35	570.72	780.20	189.08
(vi)	Other expenses	36	1,822.69	4,013.35	2,052.99
	Total expenses		**11,326.68**	**24,672.65**	**11,166.24**
V	**(Loss)/profit before tax (III-IV)**		**(698.00)**	**496.10**	**5,333.96**
VI	**Tax expense:**	37			
	(i) Current tax		416.02	118.63	1,553.00
	(ii) Deferred tax credit		(573.05)	(165.07)	(220.98)
	Net tax expense		**(157.03)**	**(46.44)**	**1,332.02**
VII	**(Loss)/ profit for the year (V-VI)**		**(540.97)**	**542.54**	**4,001.94**
VIII	**Other comprehensive income**				
	(i) Items that will not be reclassified to profit or loss				
	(a) Remeasurement of defined benefit plans		55.95	(8.58)	(4.46)
	(b) Income tax expense relating to above items		(14.08)	2.16	1.56
	(ii) Items that will be reclassified to profit or loss				
	(a) Changes in fair valuation of financial assets		(35.70)	105.90	-
	(b) Income tax expense relating to above items		8.98	(26.65)	-
	Other comprehensive income (i + ii)		**15.15**	**72.83**	**(2.90)**
IX	**Total comprehensive income for the year (VII+VIII)**		**(525.82)**	**615.37**	**3,999.04**
X	**Earnings per equity share**	38			
	Basic (in ₹)		(8.84)	8.87	79.49
	Diluted (in ₹)		(8.84)	8.87	71.66

The accompanying notes form an integral part of these Reformatted Standalone Financial Informations.

This is Reformatted Standalone Statement of Profit and Loss referred to in our report of even date.

For Hem Sandeep & Co
Chartered Accountants
Firm's registration no. : 009907N

For and on behalf of the Board of Directors

Ajay Sardana
Partner
Membership No.: 089011
Place: New Delhi
Date: 25 March 2022

Pinank Jayant Shah
Whole Time Director &
Chief Executive Officer
DIN: 07859798
Place: Mumbai
Date: 25 March 2022

Ajit Kumar Mittal
Director
DIN: 02698115
Place: Mumbai
Date: 25 March 2022

Rajeev Lochan Agrawal
Chief Financial Officer
Place: Gurugram
Date: 25 March 2022

Manish Rustagi
Company Secretary
Place: Gurugram
Date: 25 March 2022

DHANI LOANS AND SERVICES LIMITED
(Formerly known as Indiabulls Consumer Finance Limited)
ANNEXURE III - REFORMATTED STANDALONE STATEMENT OF CASH FLOWS
(All amounts are in Indian Rupees in millions unless stated otherwise)

	Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
A	**Cash flow from operating activities:**			
	Net profit/(loss) before tax	(698.00)	496.10	5,333.96
	Adjustments for :			
	Depreciation and amortisation	570.72	780.20	189.08
	Impairment on financial instruments	1,539.34	8,162.52	1,030.13
	Provision for gratuity and compensated absences	44.88	126.31	35.87
	Interest on lease liabilities	167.40	247.89	-
	(Profit)/loss on fair value changes	(305.58)	141.52	(75.35)
	Gain on sale of loan portfolio through assignment	3,575.77	(3,962.13)	(298.07)
	Effective interest rate adjustment for financial instruments	222.09	265.92	(210.29)
	Share based payments to employees	(104.15)	150.42	345.37
	Operating profit before working capital changes	**5,012.47**	**6,408.75**	**6,350.70**
	Adjustments for:			
	Loans	2,980.67	55,420.83	(66,086.34)
	Other financial assets	1,676.57	(2,933.22)	(806.25)
	Other non financial assets	674.54	(387.44)	(440.93)
	Derivative liabilities	-	(20.94)	(47.04)
	Trade payables	(253.79)	51.94	303.15
	Other payables	610.54	119.01	145.94
	Other financial liabilities	1,809.86	(2,539.92)	(2,187.08)
	Provisions	(18.62)	2.49	44.33
	Other non financial liabilties	(300.74)	184.23	121.45
		7,179.03	49,896.98	(68,952.77)
	Cash generated from operating activities	**12,191.50**	**56,305.73**	**(62,602.07)**
	Income taxes paid (including tax deducted at source)	(763.60)	(956.64)	(1,613.34)
	Net cash generated from operating activities	**11,427.90**	**55,349.09**	**(64,215.41)**
B	**Cash flow from investing activities:**			
	Purchase of property,plant and equipment, intangible assets under development and intangible assets	(71.68)	(642.95)	(732.40)
	Investment made in Subsidiaries and Associates	(760.65)	(8,195.26)	(357.04)
	Purchase/sale of investments (net)	(3,628.66)	(5,222.03)	(1,202.73)
	Net cash used in investing activities	**(4,460.99)**	**(14,060.24)**	**(2,292.17)**
C	**Cash flow from financing activities:**			
	Proceeds from issue of equity shares (including premium)	-	-	25,722.48
	Repayment of preference shares (including premium)	-	-	(2,750.00)
	Proceeds from debt securities	5,250.00	4,182.03	78,653.97
	Repayment of debt securities	(5,714.51)	(13,750.00)	(64,641.92)
	Proceeds from borrowings other than debt securities	2,050.00	17,255.28	93,721.11
	Repayment of borrowings other than debt securities	(17,896.09)	(36,040.47)	(63,155.83)
	Payment of lease liabilities	(363.58)	(490.98)	-
	Dividends paid (including dividend distribution tax)	-	(2,083.87)	(557.93)
	Net cash used in financing activities	**(16,674.18)**	**(30,928.01)**	**66,991.88**
D	**Net increase/(decrease) in cash and cash equivalents (A+B+C)**	(9,707.27)	10,360.84	484.30
E	**Cash and cash equivalents at the beginning of the year**	19,668.69	9,307.85	8,823.55
		9,961.43	**19,668.69**	**9,307.85**
	Reconciliation of cash and cash equivalents as above with other bank balances			
	Cash and Cash equivalents at the end of the year as per above	9,961.43	19,668.69	9,307.85
	Add: Fixed deposits with original maturity over 3 months	2,428.59	3,379.85	1,453.88
	Cash and cash equivalents and other bank balance as at the end of the year	**12,390.02**	**23,048.54**	**10,761.73**

1 The above cash flow statement has been prepared under the " Indirect Method " as set out in Indian Accounting Standard (Ind AS) -7 'Statement of Cash Flows' as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.

2 Cash and cash equivalents as at the end of the year include:

Cash in hand	0.02	0.62	0.09
Balances with banks:			
- in current accounts	3,907.93	18,168.11	8,502.99
- in term deposits with original maturity of less than three months*	6,053.48	1,499.96	804.77
Cash and cash equivalents at the end of the year	**9,961.43**	**19,668.69**	**9,307.85**

*[₹ 378.84 Millions (31 March 2020: ₹ 250.07 Millions, 31 March 2019: ₹ 55.67 Millions] pledged for overdraft facilities availed by the Company

3 For disclosures relating to changes in liabilities arising from financing activities, refer note 49

The accompanying notes form an integral part of these Reformatted Standalone Financial Informations.

This is Reformatted Standalone Statement of Cash Flow Statement referred to in our report of even date.

For Hem Sandeep & Co
Chartered Accountants
Firm's registration no. : 009907N

Ajay Sardana	**Pinank Jayant Shah**	**Ajit Kumar Mittal**	**Rajeev Lochan Agrawal**	**Manish Rustagi**
Partner	Whole Time Director &	Director	Chief Financial Officer	Company Secretary
Membership No.: 089011	Chief Executive Officer	DIN: 02698115		
	DIN: 07859798			
Place: New Delhi	Place: Mumbai	Place: Mumbai	Place: Gurugram	Place: Gurugram
Date: 25 March 2022	Date: 25 March 2022	Date: 25 March 2022	Date: 25 March 2022	Date: 25 March 2022

DHANI LOANS AND SERVICES LIMITED
(Formerly known as Indiabulls Consumer Finance Limited)
ANNEXURE IV - REFORMATTED STANDALONE STATEMENT OF CHANGES IN EQUITY
(All amounts are in Indian Rupees in millions unless stated otherwise)

(A) Equity share capital (refer note 23)

Particulars	Balance as at 1 April 2018	Changes during the year	Balance at 31 March 2019	Changes during the year	Balance at 31 March 2020	Changes during the year	Balance at 31 March 2021
Equity share capital	245.52	366.36	611.88	-	611.88	-	611.88

(B) Other equity (refer note 25)

Particulars	Securities premium	Capital redemption reserve	Reserve Fund (U/s 45-IC of RBI Act, 1934)	Share options outstanding account	Retained earnings	Change in fair value of loan assets through other comprehensive income	Other component of equity	Deemed equity contribution by Holding Company	Debenture redemption reserves	Total
Balance as at 1 April 2018	**14392.32**	**10.00**	**418.68**	**243.98**	**1434.26**		**-**	**85.12**		**16,584.36**
Profit for the year	-	-	-	-	4,001.94	-	-	-	-	4,001.94
Other comprehensive income (net of tax)	-	-	-	-	(2.90)	-	-	-	-	(2.90)
Transfer from retained earnings	-	-	799.81	-	(841.46)	-	-	-	41.65	-
Issue of equity shares	25,356.12	-	-	-	-	-	-	-	-	25,356.12
Adjustment of compulsory convertible preference shares (refer note 24)	(2,695.00)	-	-	-	-	-	-	-	-	(2,695.00)
Share based payment to employees	-	-	-	345.37	-	-	-	-	-	345.37
Transfer to retained earnings	-	-	-	(1.28)	1.28	-	-	-	-	-
Equity component for financial guarantee	-	-	-	-	-	-	-	37.45	-	37.45
Dividends (including dividend distribution tax) during the	-	-	-	-	(557.93)	-	-	-	-	(557.93)
Balance as at 31 March 2019	**37,053.44**	**10.00**	**1,218.49**	**588.07**	**4,035.19**	**-**	**-**	**122.57**	**41.65**	**43,069.41**
Profit for the year	-	-	-	-	542.54	-	-	-	-	542.54
Other comprehensive income (net of tax)	-	-	-	-	(6.42)	79.25	-	-	-	72.83
Transfer from retained earnings	-	-	108.51	-	(108.51)	-	-	-	-	-
Transfer from debenture redemption reserve during the year	-	-	-	-	41.65	-	-	-	(41.65)	-
Share based payment to employees	-	-	-	150.42	-	-	-	-	-	150.42
Transfer to other component of equity	-	-	-	(61.04)	-	-	61.04	-	-	-
Equity component for financial guarantee	-	-	-	-	-	-	-	14.17	-	14.17
Transfer to retained earnings	-	-	-	(19.22)	19.22	-	-	-	-	-
Dividends (including dividend distribution tax) during the year (₹ 28.25 per share)	-	-	-	-	(2,083.87)	-	-	-	-	(2,083.87)
Balance as at 31 March 2020	**37,053.44**	**10.00**	**1,327.00**	**658.23**	**2,439.80**	**79.25**	**61.04**	**136.74**	**-**	**41,765.50**
Loss for the year	-	-	-	-	(540.97)	-	-	-	-	(540.97)
Other comprehensive income (net of tax)	-	-	-	-	41.87	(26.72)	-	-	-	15.15
Share based payment to employees	-	-	-	(104.15)	-	-	-	-	-	(104.15)
Transfer to other component of equity	-	-	-	(304.26)	-	-	304.26	-	-	-
Equity component for financial guarantee	-	-	-	-	-	-	-	9.38	-	9.38
Balance as at 31 March 2021	**37,053.44**	**10.00**	**1,327.00**	**249.82**	**1,940.70**	**52.53**	**365.30**	**146.12**	**-**	**41,144.91**

The accompanying notes form an integral part of these Reformatted Standalone Financial Informations.

This is the Reformatted Standalone Statement of Changes in Equity referred to in our report of even date.

For Hem Sandeep & Co
Chartered Accountants
Firm's registration no. : 009907N

For and on behalf of the Board of Directors

Ajay Sardana
Partner
Membership No.: 089011

Pinank Jayant Shah
Whole Time Director &
Chief Executive Officer
DIN: 07859798

Ajit Kumar Mittal
Director
DIN: 02698115

Rajeev Lochan Agrawal
Chief Financial Officer

Manish Rustagi
Company Secretary

Place: New Delhi
Date: 25 March 2022

Place: Mumbai
Date: 25 March 2022

Place: Mumbai
Date: 25 March 2022

Place: Gurugram
Date: 25 March 2022

Place: Gurugram
Date: 25 March 2022

ANNEXURE V - Summary of significant accounting policies and other explanatory information to Reformatted Standalone Financial Information

1. Company overview

Dhani Loans and Services Limited (formerly known as Indiabulls Consumer Finance Limited) ('the Company') is a public limited Company incorporated under the provisions of Companies Act, 1956 and is engaged in the business of financing and investing related activities. The Company is a non-deposit accepting Non-Banking Financial Company ('NBFC-ND') and is registered as a Non-Banking Financial Company with the Reserve Bank of India ("RBI") under section 45-IA of the Reserve Bank of India Act, 1934. The Company is domiciled in India and its registered office is situated at M-62 a 63, First Floor, Connaught Place, New Delhi – 110001.

In accordance with the provisions of Section 4, 13 and 14 and other applicable provisions of the Companies Act 2013 (the 'Act'), the members of the Company at their Extraordinary General Meeting held on 2 July 2020 accorded their approval to change the name of the Company. The Company has since received a fresh certificate of incorporation consequent upon change of name from the Registrar of Companies National Capital Territory of Delhi and Haryana dated 7 July 2020 in respect of the said change. Accordingly the name of the Company was changed from "Indiabulls Consumer Finance Limited" to "Dhani Loans and Services Limited" effective from 7 July 2020.

2. Basis of preparation

(i) Statement of compliance

(i) The Reformatted Standalone Financial Information of the Company comprise of the Reformatted Standalone Statement of Assets and Liabilities as at 31 March 2021, 31 March 2020 and 31 March 2019, the related Reformatted Standalone Statement of Profit and Loss (including other comprehensive income), the Reformatted Standalone Statement of Cash Flows , the Reformatted Standalone Statement of Changes in Equity for the years ended 31 March 2021, 31 March 2020 and 31 March 2019, and the summary of significant accounting policies and other explanatory information (collectively, the Reformatted Standalone 'Financial Information' or 'Financial Statements') and have been extracted by the Management from the Audited Standalone Financial Statements of the Company for the year ended 31 March 2021, 31 March 2020 and 31 March 2019 ("Audited Standalone Financial Statements") .

The Reformatted Standalone Financial Information have been prepared by the management in connection with the proposed issue of non convertible debentures of the Company to be listed on BSE Limited and National Stock Exchange of India (collectively the "Stock Exchanges" in accordance with the requirements of section 26 of the act, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (the "SEBI Regulations"), issued by SEBI, in pursuance of the Securities and Exchange Board of India Act, 1992 (the "SEBI Act"), as amended from
The Reformatted Standalone Financial Statements have been extracted from the Audited Standalone Financial Statements of the Company which have been prepared in accordance with the Indian Accounting Standards (IND AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under Section 133 of the Act, other relevant provisions of the Act, guidelines issued by the RBI as applicable to an NBFCs and other accounting principles generally accepted in India. Any application guidance / clarifications/directions issued by RBI or other regulators are implemented as and when they are issued /applicable. The Company has uniformly applied the accounting policies for all the periods presented in these financial statements.
The Reformatted Standalone Financial Statements for the year ended 31 March 2021, 31 March 2020 and 31 March 2019 were authorized and approved for issue by the Board of Directors on 25 March 2022

(ii) Presentation of Standalone financial statements
The Reformatted Standalone Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III of the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS. A summary of the significant accounting policies and other explanatory information is in accordance with the Companies (Indian Accounting Standards) Rules, 2015 as specified under Section 133 of the Act including applicable Indian Accounting Standards (Ind AS) and accounting principles generally accepted in India.

(iii) Historical cost convention
The standalone financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the standalone financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities and share based payments which are measured at fair values as explained in relevant accounting policies.

3. Summary of significant accounting policies

The standalone financial statements have been prepared using the significant accounting policies and measurement bases summarised as below. These policies are applied consistently for all the periods presented in the standalone financial statements.

a) Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss.
Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit and loss.

Subsequent measurement (depreciation method, useful lives and residual value)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on the straight line method over the useful life of the assets as prescribed under Part 'C' of Schedule II of the Act.

Asset class	Useful life
Computer equipment	3 years
Office equipment	5 years
Furniture and fixtures	10 years
Vehicles	8 years
Servers and networks	6 years
Leasehold improvements	Lower of useful life of the asset or lease term

Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

De-recognition
An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the statement of profit and loss, when the asset is derecognised.

b) Intangible assets

Recognition and initial measurement
Intangible assets are stated at their cost of acquisition. The cost comprises purchase price including any import duties and other taxes (other than those subsequently recoverable from taxation authorities), borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent measurement (amortisation method, useful lives and residual value)

Asset class	Useful life
Software	4 - 10 years

Intangible assets are amortised from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

The Company had developed a software that is used to enhance the company's business in e-wallet segment. Useful life of that software were estimated 4 year basis the expected economic benefit from the software . However, the company has reassessed the expected pattern of consumption of economic benefit basis technical estimate of the software and expect benefits will flow to the Company till 10 years.

c) Intangible assets under development

Intangible assets under development represents expenditure incurred in respect of intangible assets under development and are carried at cost. Cost includes development cost, borrowing costs and other direct expenditure necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. These are recognised as assets when the Company can demonstrate following recognition requirements:

- The development costs can be measured reliably
- The project is technically and commercially feasible
- The Company intends to and has sufficient resources to complete the project
- The Company has the ability to use or sell such intangible asset
- The asset will generate probable future economic benefits.

Amortisation of the asset begins when development is complete and the asset is available for use.

d) Revenue recognition
Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115, Revenue from contracts with customers, outlines a single comprehensive model of accounting for revenue arising from contracts with customers.
The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

The Company recognises revenue from the following sources:

i. Interest income
Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. Interest income are recognised using the effective interest method ('EIR'). Calculation of the EIR includes all fees received or cost incurred that are incremental and directly attributable to the acquisition of a financial asset. Interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets.

ii. Net gain on fair value changes
The Company designates certain financial assets for subsequent measurement at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI). The Company recognises gains on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL and FVOCI on net basis.

iii. Dividend income

Dividend income is recognised when the Company's right to receive dividend is established by the reporting date and no significant uncertainty as to collectability exists.

iv. Fees and commission income

Revenue from fee and commission is measured at fair value of the consideration received or receivable. Revenue is recognised as and when the Company satisfies the associated performance obligation in accordance with the identified contract with the customers and when there is no uncertainty in the ultimate realisation/collection

v. Income from assignment

Gains arising out of direct assignment transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the right of excess interest spread (EIS). The future EIS basis the scheduled cash flows on execution of the transaction, discounted at the applicable rate entered into with the assignee is recorded upfront in the statement of profit and loss and correspondingly EIS receivable is recognised under head other financial asset . EIS evaluated and adjusted for ECL and expected prepayment.

e) Borrowing costs

Borrowing costs that are directly attributable to the acquisition and/or construction of a qualifying asset, till the time such qualifying assets become ready for its intended use sale, are capitalised. Borrowing costs consists of interest and other cost that the Company incurred in connection with the borrowing of funds. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as incurred basis the effective interest rate method.

f) Taxation

Tax expense recognised in Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent it recognised in other comprehensive income or directly in equity.

Current tax comprises the tax payable or receivable on taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Current tax is computed in accordance with relevant tax regulations. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets are recognised on unused tax loss, unused tax credits and deductible temporary differences to the extent it is probable that the future taxable profits will be available against which they can be used. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

g) Employee benefits

Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

Other long-term employee benefits

The Company also provides the benefit of compensated absences to its employees which are in the nature of long-term employee benefit plan. Liability in respect of compensated absences becoming due and expected to availed after one year from the balance sheet date is estimated in the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to Statement of Profit and Loss in the year in which such gains or losses are determined.

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

Defined contribution plans

The Company has a defined contribution plans namely provident fund, pension fund and employees state insurance scheme. The contribution made by the Company in respect of these plans are charged to the Statement of Profit and Loss.

Defined benefit plans

The Company has unfunded gratuity as defined benefit plan where the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The liability recognised in the balance sheet for defined benefit plans as the present value of the defined benefit obligation (DBO) at the reporting date. Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

h) Share based payments

Share based compensation benefits are provided to employees via Dhani Services Limited (Formarly known as Indiabulls Ventures Limited) ('Holding Company') Employee Stock Option Plans (ESOPs). The employee benefits expense is measured using the fair value of the employee stock options and is recognised over vesting period with a corresponding increase in equity. The vesting period is the period over which all the specified vesting conditions are to be satisfied. On the exercise of the employee stock options, the employees of the Company will be allotted Holding Company's equity shares.

i) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. Recoverable amount is higher of an asset's net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

j) Impairment of financial assets

Loan assets

The Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- Stage 1 (1-30 days) includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
- Stage 2 (31-60 days) includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
- Stage 3 (more than 90 days) includes loan assets that have objective evidence of impairment at the reporting date.

The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:

Probability of Default (PD) - The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

Loss Given Default (LGD) – LGD represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.

Exposure at Default (EAD) – EAD is based on the amounts the Company expects to be owed at the time of default. For a revolving commitment, the Company includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

Forward-looking economic information is included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

Other financial assets

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet

Write-offs

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

k) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term highly liquid investments (certificate of deposits) that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. For cash flow statement purposes, cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

l) Equity investment in associate/subsidiaries

Investments representing equity interest in associate or subsidiaries is measured at cost in accordance with Ind AS 27 'Separate Financial Statements'.

m) Provisions, contingent assets and contingent liabilities

Provisions are recognised only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:
- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

n) Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement
Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

Non-derivative financial assets

Subsequent measurement

i. Financial assets carried at amortised cost – a financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

ii. Financial assets carried at fair value through other comprehensive income (FVOCI):

A financial asset is measured at FVOCI if both the following conditions are met:
(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and selling financial assets, and
(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

FVOCI instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and impairment gains or losses are recognised in the statement of profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified to the statement of profit or loss.

iii. Investments in equity instruments – Investments in equity instruments which are held for trading are classified as at fair value through profit or loss (FVTPL). For all other equity instruments, the Company makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Company transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

iv. Investments in mutual funds – Investments in mutual funds are measured at fair value through profit and loss (FVTPL).

De-recognition of financial assets
Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are derecognised (i.e. removed from the Company's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Company has not retained control, it shall also derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

Non-derivative financial liabilities

Subsequent measurement
Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities
A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Financial guarantee

Financial guarantee contracts are recognised as financial liability at the time guarantee is issued. The liability is initially measured at fair value and subsequently measured at higher of:

- The amount of loss allowance (calculated as described in policy for impairment of financial assets)
- The amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with principles of Ind AS.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

o) Earnings per equity share

Basic earnings per equity share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per equity share, the net profit or loss (interest and other finance cost associated) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

p) Segment reporting

The Company identifies segment basis the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are regularly reviewed by the CODM ('chief operating decision maker') in deciding how to allocate resources and in assessing performance.

q) Foreign currency

Functional and presentation currency
Items included in the standalone financial statement of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The standalone financial statements have been prepared and presented in Indian Rupees (₹), which is the Company's functional and presentation currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency, by applying the exchange rates on the foreign currency amounts at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognised in the Statement of Profit and Loss in the year in which they arise.

r) Classification of leases –

The Company enters into leasing arrangements for various premises. The assessment (including measurement) of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/terminate etc. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.

Recognition and initial measurement

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent measurement

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Company has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in statement of profit and loss on a straight-line basis over the lease term.

s) Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures. Actual results may differ from these estimates.

Significant management judgements

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

Business model assessment - The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

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Expected credit loss ('ECL') – The measurement of expected credit loss allowance for financial assets measured at amortised cost requires use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. likelihood of customers defaulting and resulting losses). The Company makes significant judgements with regard to the following while assessing expected credit loss:

- Determining criteria for significant increase in credit risk;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

Provisions – At each reporting date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Significant estimates

Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

t) New Accounting Pronouncement

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021. Key amendments relating to Division III which relate to financial statements for a Non-Banking Financial Company (NBFC) which are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

- Specified format for disclosure of shareholding of promoters.

- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR) and undisclosed income specified under the head additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

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(All amounts are in Indian Rupees in millions unless stated otherwise)

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Note - 4			
Cash and cash equivalents			
Cash on hand	0.02	0.62	0.09
Balances with banks			
- Current accounts	3,907.93	18,168.11	8,502.99
- Fixed deposit with original maturity of three months or less (including interest accrued)#	6,053.48	1,499.96	804.77
	9,961.43	**19,668.69**	**9,307.85**
Note - 5			
Other bank balances			
Fixed deposits with original maturity of more than 3 months (including interest accrued)#	2,428.59	3,379.85	1,453.88
	2,428.59	**3,379.85**	**1,453.88**

The amount under lien as security against overdraft facility availed, assets securitised and bank guarantee are as follows (included above in Note - 4 and Note - 5):

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Deposits pledged with banks for overdraft facilities availed by the Company	590.18	1,041.29	774.44
Deposits pledged for securitisations	2,335.02	2,336.02	621.24
Deposits pledged with banks against bank guarantees	2.52	2.53	2.53
Margin money			111.33
	2,927.72	**3,379.84**	**1,509.54**

		As at 31 March 2021	
Note - 6	**At amortised cost**	**At fair value through other comprehensive income**	**Total**
Loans			
Secured	7,032.52	163.31	7,195.83
Unsecured	32,792.83	1,615.11	34,407.94
Total - Gross	**39,825.35**	**1,778.42**	**41,603.77**
Less: impairment loss allowance	(4,368.63)	(23.41)	(4,392.04)
Total - Net	**35,456.72**	**1,755.01**	**37,211.73**
Secured by tangible assets	7,032.52	163.31	7,195.83
Secured by other assets	-	-	-
Unsecured	32,792.83	1,615.11	34,407.94
Total - gross	**39,825.35**	**1,778.42**	**41,603.77**
Less: impairment loss allowance	(4,368.63)	(23.41)	(4,392.04)
Total - net	**35,456.72**	**1,755.01**	**37,211.73**
Loans in India			
(i) Public sector	-	-	-
(ii) Others	39,825.35	1,778.42	41,603.77
Total - gross	**39,825.35**	**1,778.42**	**41,603.77**
Less: impairment loss allowance	(4,368.63)	(23.41)	(4,392.04)
Total - net	**35,456.72**	**1,755.01**	**37,211.73**

		As at 31 March 2020	
	At amortised cost	**At fair value through other comprehensive income**	**Total**
Loans			
Secured	11,619.05	313.35	11,932.40
Unsecured	30,567.70	4,592.37	35,160.07
Total - Gross	**42,186.75**	**4,905.72**	**47,092.47**
Less: impairment loss allowance	(5,268.66)	(28.36)	(5,297.02)
Total - Net	**36,918.09**	**4,877.36**	**41,795.45**
Secured by tangible assets	11,502.86	313.35	11,816.21
Secured by other assets	116.19	-	116.19
Unsecured	30,567.70	4,592.37	35,160.07
Total - gross	**42,186.75**	**4,905.72**	**47,092.47**
Less: impairment loss allowance	(5,268.66)	(28.36)	(5,297.02)
Total - net	**36,918.09**	**4,877.36**	**41,795.45**
Loans in India			
(i) Public sector	-	-	-
(ii) Others	42,186.75	4,905.72	47,092.47
Total - gross	**42,186.75**	**4,905.72**	**47,092.47**
Less: impairment loss allowance	(5,268.66)	(28.36)	(5,297.02)
Total - net	**36,918.09**	**4,877.36**	**41,795.45**

DHANI LOANS AND SERVICES LIMITED
(Formerly known as Indiabulls Consumer Finance Limited)
ANNEXURE V - Summary of significant accounting policies and other explanatory information to Reformatted Standalone Financial Information
(All amounts are in Indian Rupees in millions unless stated otherwise)

Note - 6 (Continue)

	As at 31 March 2019		
	At amortised cost	At fair value through other comprehensive income	Total
Loans			
Secured	49,608.34	-	49,608.34
Unsecured	56,721.72	-	56,721.72
Total - Gross	**1,06,330.06**	**-**	**1,06,330.06**
Less: impairment loss allowance	(1,248.73)	-	(1,248.73)
Total - Net	**1,05,081.33**	**-**	**1,05,081.33**
		-	
Secured by tangible assets	49,430.67	-	49,430.67
Secured by other assets	177.67	-	177.67
Unsecured	56,721.72	-	56,721.72
Total - gross	**1,06,330.06**	**-**	**1,06,330.06**
Less: impairment loss allowance	(1,248.73)	-	(1,248.73)
Total - net	**1,05,081.33**	**-**	**1,05,081.33**
Loans in India			
(i) Public sector	-	-	-
(ii) Others	1,06,330.06	-	1,06,330.06
Total - gross	**1,06,330.06**	**-**	**1,06,330.06**
Less: impairment loss allowance	(1,248.73)	-	(1,248.73)
Total - net	**1,05,081.33**	**-**	**1,05,081.33**

*During the year ended 31 March 2020, the Company has entered into series of bilateral assignment transactions against outstanding loan portfolio. In the light of this, the management has concluded that the business model for loan against property, business installments loan and personal loan has changed from "hold to collect" to "hold to collect and sell". Accordingly, the company had reclassified its eligible portfolio from amortised category to fair value through other comprehensive income (FVOCI) category and hence recorded a fair value gain in other comprehensive income.

Note - 7
Investments

	As at 31 March 2021			
Investments	**At amortised cost**	**At fair value through profit or loss**	**At cost**	**Total**
Mutual funds	-	13,748.28	-	13,748.28
Debt securities	999.98	-	-	999.98
Security receipts	-	210.10	-	210.10
Equity instruments (refer note below)	-	-	9,312.95	9,312.95
Total (A)	**999.98**	**13,958.38**	**9,312.95**	**24,271.31**
(i) Investments outside India	-	-	-	-
(ii) Investments in India	999.98	13,958.38	9,312.95	24,271.31
Total (B)	**999.98**	**13,958.38**	**9,312.95**	**24,271.31**
Less: Allowance for Impairment loss on Security Receipts (C)	-	177.27	-	177.27
Total (D) = (A)-(C)	**999.98**	**13,781.11**	**9,312.95**	**24,094.04**

	As at 31 March 2020			
Investments	**At amortised cost**	**At fair value through profit or loss**	**At cost***	**Total**
Mutual funds	-	786.95	-	786.95
Debt securities	5,000.01	5,059.89	-	10,059.90
Equity instruments (refer note below)	-	-	8,552.30	8,552.30
Total (A)	**5,000.01**	**5,846.84**	**8,552.30**	**19,399.15**
(i) Investments outside India	-	-	-	-
(ii) Investments in India	5,000.01	5,846.84	8,552.30	19,399.15
Total (B)	**5,000.01**	**5,846.84**	**8,552.30**	**19,399.15**
Less: Allowance for Impairment loss (C)	-	-	-	**-**
Total (D) = (A)-(C)	**5,000.01**	**5,846.84**	**8,552.30**	**19,399.15**

	As at 31 March 2019			
Investments	**At amortised cost**	**At fair value through profit or loss**	**At cost***	**Total**
	-		-	
Mutual funds	-	5,504.59	-	5,504.59
Debt securities	261.75	-	-	261.75
Equity instruments (refer note below)	-	-	-	-
Total (A)	**261.75**	**5,504.59**	**-**	**5,766.34**
(i) Investments outside India	-	-	-	-
(ii) Investments in India	261.75	5,504.59	-	**5,766.34**
Total (B)	**261.75**	**5,504.59**	**-**	**5,766.34**
Less: Allowance for Impairment loss (C)	-	-	-	-
Total (D) = (A)-(C)	**261.75**	**5,504.59**	**-**	**5,766.34**

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(All amounts are in Indian Rupees in millions unless stated otherwise)

Notes:
* Equity investments in subsidiaries are measured at cost as per the provisions of Ind AS 27 on 'Separate Financial Statements'

(i) During the year ended 31 March 2020, the Company has further acquired 9% equity stake of "TranServ Limited" (formerly known as "TranServ Private Limited"). Transerv Limited is controlled by the Company in accordance with the requirements of Ind AS 110, Consolidated Financial Statements. Further, subsequent to 31 March 2020, the Company has further acquired the remaining 58% stake in TranServ Limited making it wholly owned subsidiary of the Company.

(ii) During the year ended 31 March 2020, the Company has invested ₹ 5,000.01 millions in Compulsorily Convertible Debentures ("CCDs") of its subsidiary Indiabulls Distribution Services Limited ("IDSL") (erstwhile fellow subsidiary of the Company), bearing coupon rate of 10% per annum. The CCDs are convertible into equity shares of IDSL at the option of the Company on or before completion of 24 months from the date of subscription. Further, the Company has invested ₹ 4,500.01 millions in the equity shares of IDSL and acquired 86% equity stake of IDSL.

(iii) During the year ended 31 March 2020, the Company has acquired 100% holding in equity shares of Indiabulls Investment Advisors Limited ("IIAL"), (erstwhile fellow subsidiary of the Company) from Dhani Services Limited (Formarly known as Indiabulls Ventures Limited) for consideration of ₹ 55.00 millions and accordingly IIAL become a wholly owned subsidiary of the Company. Subsequent to this, the Company has further invested ₹ 3,500.00 millions in the equity share capital of IIAL.

(iv) During the year ended 31 March 2021, the Company has acquired the remaining 58% stake in TranServ Limited for a consideration of ₹ 760.65 Millions and accordingly TranServ Limited become a wholly owned subsidiary of the Company.

(v) Equity investments in subsidiaries are measured at cost as per the provisions of Ind AS 27 on 'Separate Financial Statements

(vi) Equity instruments includes the following investment in equity shares of subsidiaries

Name of the Subsidiaries	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
TranServ Limited [No. of equity share 6,479,129 (31 March 2020: 2,721,257, 31March 2019: 2,137,981) face value ₹ 10 each]	1,257.94	497.29	-
Indiabulls Distribution Services Limited [No. of equity share 308,220 (31 March 2020: 308,220, 31March 2019: NIL) face value ₹ 10 each]	4,500.01	4,500.01	-
Indiabulls Investment Adviser Limited [No. of equity share 355,500,000 (31 March 2020: 355,500,000 , 31March 2019: NIL) face value ₹ 10 each]	3,555.00	3,555.00	-
Total investment in equity instruments of subsidiaries	**9,312.95**	**8,552.30**	**-**

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Note - 8			
Other financial assets			
Receivable on assigned loans	847.99	4,451.77	298.07
Less: impairment loss allowance	(163.56)	(191.57)	-
Net receivable on assigned loans	**684.43**	**4,260.20**	**298.07**
Security deposits	112.06	110.58	88.64
Advances for purchase of equity shares	-	760.65	58.18
Advances to employees	23.12	65.91	16.05
Others recoverable	17.71	22.65	18.00
	837.32	**5,219.99**	**478.94**

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(All amounts are in Indian Rupees in millions unless stated otherwise)

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Note - 9			
Current tax assets (net)			
Advance income tax/tax deducted at source [Net of provision for taxation]	1,256.94	909.37	71.35
	1,256.94	**909.37**	**71.35**

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Note - 10			
Deferred tax assets (net)			
Deferred Tax Assets			
- Impairment loss allowance	1,168.26	1,360.86	291.59
- Disallowance under Section 40A(7) of the Income-tax Act, 1961	35.76	38.93	27.19
- Disallowance under Section 43B of the Income-tax Act, 1961	18.22	22.52	10.12
- Lease equalisation reserve	-	-	-
- Lease equalisation reserve			10.99
- Financial assets measured at amortised cost	43.77	53.16	-
- Financial liabilities measured at amortised cost	-	32.27	-
- Share based payments	62.88	165.66	205.94
Total (A)	**1,328.89**	**1,673.40**	**545.83**
Less: Deferred Tax Liabilities			
- Derecogntion of financial instruments measured under amortised cost category	223.17	1,122.42	103.44
- Financial assets measured at amortised cost		-	16.32
- Financial assets measured at fair value through other comprehensive income	17.67	26.65	-
- Financial liabilities measured at amortised cost	4.16	-	31.77
- Depreciation and amortisation	36.04	44.42	54.97
Total (B)	**281.04**	**1,193.49**	**206.50**
Deferred tax assets(net) (A-B)	**1,047.85**	**479.91**	**339.33**

Movement of deferred tax

Particulars	As at 01 April 2020	Recognised in profit and loss	Recognised in other comprehensive income	As at 31 March 2021
Deferred Tax Assets				
- Impairment loss allowance	1,360.86	(192.60)	-	1,168.26
- Disallowance under Section 40A(7) of the Income-tax Act, 1961	38.93	10.92	(14.08)	35.77
- Disallowance under Section 43B of the Income-tax Act, 1961	22.52	(4.30)	-	18.22
- Financial assets measured at amortised cost	53.16	(9.39)	-	43.77
- Share based payments	165.66	(102.78)	-	62.88
Deferred tax liabilities				
- Derecogntion of financial instruments measured under amortised cost category	(1,122.42)	899.25	-	(223.17)
- Financial liabilities measured at amortised cost	32.27	(36.43)	-	(4.16)
- Financial assets measured at fair value through other comprehensive income	(26.65)	-	8.98	(17.67)
- Depreciation and amortisation	(44.42)	8.38	-	(36.04)
Total (B)	**479.91**	**573.05**	**(5.10)**	**1,047.86**

Particulars	As at 01 April 2019	Recognised in profit and loss	Recognised in other comprehensive income	As at 31 March 2020
Deferred tax assets				
- Impairment loss allowance	291.59	1,069.27	-	1,360.86
- Disallowance under Section 40A(7) of the Income-tax Act, 1961	27.19	9.58	2.16	38.93
- Disallowance under Section 43B of the Income-tax Act, 1961	10.12	12.40	-	22.52
- Lease equalisation reserve	10.99	(10.99)	-	-
- Financial assets measured at amortised cost	(16.32)	69.48	-	53.16
- Financial liabilities measured at amortised cost	(31.77)	64.04	-	32.27
- Share based payments	205.94	(40.28)	-	165.66
Deferred tax liabilities				
- Derecogntion of financial instruments measured under amortised cost category	(103.44)	(1,018.98)	-	(1,122.42)
- Financial assets measured at fair value through other comprehensive income	-	-	(26.65)	(26.65)
- Depreciation and amortisation	(54.97)	10.55	-	(44.42)
Deferred tax assets(net) (A-B)	**339.33**	**165.07**	**(24.49)**	**479.91**

Movement in deferred tax assets

Particulars	As at 31 March 2018	Recognised in profit and loss	Recognised in other comprehensive income	As at 31 March 2019
Deferred tax assets				
- Impairment loss allowance	14.86	276.73	-	291.59
- Disallowance under Section 40A(7) of the Income-tax Act, 1961	5.50	20.13	1.56	27.19
- Disallowance under Section 43B of the Income-tax Act, 1961	2.15	7.97	-	10.12
- Lease equalisation reserve	4.00	6.99	-	10.99
- Financial assets measured at amortised cost	45.94	(62.26)	-	(16.32)
- Share based payments	84.43	121.51	-	205.94
	-	-	-	
Deferred tax liabilities	-	-	-	
- Derecogntion of financial instruments measured under amortised cost	-	(103.44)	-	(103.44)
- Depreciation and amortisation	(26.08)	(28.89)	-	(54.97)
- Financial liabilities at amortised cost	(14.01)	(17.76)	-	(31.77)
	116.79	**220.98**	**1.56**	**339.33**

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Note - 11			
Investment accounted for using equity method			
Investment in associate (at cost)			
(31 March 2021: Nil, 31 March 2020 NIL , 31 March 2019 : 2,137,981) equity shares of Rs. 10 each, of Transerv Limited (Formely known as Transerv Private Limited)	-	-	357.04
			-
	-	**-**	**357.04**

DHANI LOANS AND SERVICES LIMITED

(Formerly known as Indiabulls Consumer Finance Limited)

ANNEXURE V - Summary of significant accounting policies and other explanatory information to Reformatted Standalone Financial Information

(All amounts are in Indian Rupees in millions unless stated otherwise)

Note - 12 (a) : Property, plant and equipment

Particulars	Gross Block				Accumulated depreciation				Net Block	
	As at 01-04-2020	Additions	Disposals/ adjustment	As at 31-03-2021	As at 01-04-2020	Additions	Deletion	As at 31-03-2021	As at 31-03-2021	As at 31-03-2020
Freehold land	1.30	-	-	1.30	-	-	-	-	1.30	1.30
Computers	322.03	7.53	3.67	325.89	143.19	85.25	1.12	227.32	98.57	178.84
Server and networking cost	28.72	15.33	-	44.05	2.14	6.04	0.00	8.18	35.87	26.58
Office equipment	119.14	14.81	15.22	118.73	28.70	23.66	4.26	48.10	70.63	90.44
Furniture	349.49	163.33	60.93	451.89	25.54	42.87	5.66	62.75	389.14	323.95
Vehicles	12.50	-	4.33	8.17	2.77	1.27	1.65	2.39	5.78	9.73
Total	**833.18**	**201.00**	**84.15**	**950.03**	**202.34**	**159.09**	**12.69**	**348.74**	**601.29**	**630.84**

	As at 01-04-2019	Additions	Disposals/ adjustment	As at 31-03-2020	As at 01-04-2019	Additions	Deletion	As at 31-03-2020	As at 31-03-2020	As at 31-03-2019
Freehold land	1.30	-	-	1.30	-	-	-	-	1.30	1.30
Computers	259.58	62.45	-	322.03	59.42	83.77	-	143.19	178.84	200.16
Servers and networks	-	28.72		28.72	-	2.14	-	2.14	26.58	-
Office equipment	56.16	62.98	-	119.14	8.73	19.97	-	28.70	90.44	47.43
Furniture	54.31	295.18	-	349.49	4.58	20.96	-	25.54	323.95	49.73
Vehicles	12.85	5.40	5.75	12.50	2.14	1.72	1.09	2.77	9.73	10.71
Total	**384.20**	**454.73**	**5.75**	**833.18**	**74.87**	**128.56**	**1.09**	**202.34**	**630.84**	**309.33**

Particulars	Gross block				Accumulated depreciation				Net Block	
	As at 1-Apr-18	Additions	Disposals/ adjustment	As at 31-Mar-19	As at 1-Apr-18	Additions	Deletion	As at 31-Mar-19	As at 31-Mar-19	As at 31-Mar-18
a) Property, plant and equipment										
Freehold land	-	1.30	-	1.30	-	-	-	-	1.30	-
Computers	113.77	145.81	-	259.58	12.06	47.37	-	59.42	200.16	101.72
Office equipment	22.32	33.84	-	56.16	1.41	7.32	-	8.73	47.43	20.91
Furniture	24.26	30.05	-	54.31	0.67	3.91	-	4.58	49.73	23.60
Vehicles (ii)	9.44	3.40	-	12.85	0.56	1.58	-	2.14	10.71	8.88
Total	169.80	214.40	-	384.20	14.70	60.17	-	74.87	309.33	155.10

Note - 12 (b) : Right-of-use assets

	As at 01-04-2020	Additions	Disposals/ adjustment	As at 31-03-2021	As at 01-04-2020	Additions	Deletion	As at 31-03-2021	As at 31-03-2021	As at 31-03-2020
Buildings	2,614.16	850.58	1,540.14	1,924.60	404.66	305.25	-	709.91	1,214.69	2,209.50

	As at 01-04-2019	Additions	Disposals/ adjustment	As at 31-03-2020	As at 01-04-2019	Additions	Deletion	As at 31-03-2020	As at 31-03-2020	As at 31-03-2019
Buildings	-	2,614.16	-	2,614.16	-	404.66	-	404.66	2,209.50	-

(All amounts are in Indian Rupees in millions unless stated otherwise)

Note - 12 (c) : Intangible Asset under Development

	As at 01-04-2020	Additions	Disposals/ adjustment	As at 31-03-2021	As at 01-04-2020	Additions	Deletion	As at 31-03-2021	As at 31-03-2021	As at 31-03-2020
Intangible Asset under Development	54.26	39.10	55.31	38.05	-	-	-	-	38.05	54.26

	As at 01-04-2019	Additions	Disposals/ adjustment	As at 31-Mar-20	As at 1-Apr-19	Additions	Deletion	As at 31-Mar-20	As at 31-Mar-20	As at 31-Mar-19
Intangible Asset under Development	24.61	78.53	48.88	54.26	-	-	-	-	54.26	24.61

	As at 01-04-2018	Additions	Disposals/ adjustment	As at 31-Mar-19	As at 1-Apr-18	Additions	Deletion	As at 31-Mar-19	As at 31-Mar-19	As at 31-Mar-18
Intangible Asset under Development	5.80	125.00	106.19	24.61	-	-	-	-	24.61	5.80

Note - 12 (d) : Intangible assets

	Gross Block				Accumulated amortisation				Net Block	
	As at 01-04-2020	Additions	Disposals/ adjustment	As at 31-Mar-21	As at 01-Apr-20	Additions	Deletion	As at 31-Mar-21	As at 31-Mar-21	As at 31-Mar-20
Software	905.23	64.96	-	970.19	417.27	106.38		523.65	446.55	487.96
	905.23	**64.96**	**-**	**970.19**	**417.27**	**106.38**	**-**	**523.65**	**446.55**	**487.96**

	As at 01-04-2019	Additions	Disposals/ adjustment	As at 31-Mar-20	As at 1-Apr-19	Additions	Deletion	As at 31-Mar-20	As at 31-Mar-20	As at 31-Mar-19
Software	688.79	216.44	-	905.23	170.29	246.98	-	417.27	487.96	518.49
Total	**688.79**	**216.44**	**-**	**905.23**	**170.29**	**246.98**	**-**	**417.27**	**487.96**	**518.49**

	As at 1-Apr-18	Additions	Disposals/ adjustment	As at 31-Mar-19	As at 1-Apr-18	Additions	Deletion	As at 31-Mar-19	As at 31-Mar-19	As at 31-Mar-18
	348.85	339.94	-	688.79	41.38	128.91	-	170.29	518.49	307.47

Refer Note No 41(ii) of notes to accounts for disclosure of capital commitments.

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(All amounts are in Indian Rupees in millions unless stated otherwise)

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Note - 13			
Other non-financial assets			
Prepaid expenses	73.97	143.17	313.26
Balance with government authorities	233.63	381.11	203.10
Capital advances	20.95	127.56	180.76
Advance against assigned assets	-	230.31	-
Advances to suppliers	93.44	320.99	171.78
	421.99	**1,203.14**	**868.90**

	As at 31 March 2021		As at 31 March 2020		As at 31 March 2019	
	Notional amounts	Fair value	Notional amou	Fair value	Notional amounts	Fair value
Note - 14						
Derivative financial instruments						
Part I						
Index linked derivatives	-	-	-	-	1,228.22	20.94
Total derivative financial instruments	**-**	**-**	**-**	**-**	**1,228.22**	**20.94**
Part II						
Included in above (Part I) are derivatives held for hedging and risk management purpose as follows:						
i. Undesignated derivatives						
- Index linked derivatives	-	-	-	-	1,228.22	20.94
Total Derivative financial instruments	**-**	**-**	**-**	**-**	**1,228.22**	**20.94**

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Note - 15			
Trade payables			
Total outstanding dues of micro enterprises and small enterprises (refer note 48)	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	378.56	632.35	580.41
	378.56	**632.35**	**580.41**
Note - 16			
Other payable			
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	911.49	300.95	181.94
	911.49	**300.95**	**181.94**
Note - 17			
Debt securities (at amortised cost)			
Secured			
Non- convertible debentures	7,706.03	8,042.78	7,889.62
Commercial papers (refer note b below)	-	-	9,500.00
Total	**7,706.03**	**8,042.78**	**17,389.62**
Out of above			
In India	7,706.03	8,042.78	17,389.62
Outside India	-	-	-
Total	**7,706.03**	**8,042.78**	**17,389.62**

Notes:
17.1. Secured redeemable non convertible debentures include:

Interest rate/Effective yield	Face value (Amount in ₹)	Issue date	Redemption date	As at 31 March 2021			
				Number of NCDs	Amount	Impact of interest accrued and Ind AS	Total outstanding amount
10.75%	1,000.00	8-Mar-2019	8-May-2021	37,74,710	3,774.71	24.54	3,799.25
10.75% (Effective yield)	1,000.00	8-Mar-2019	8-May-2021	2,46,579	246.58	57.69	304.27
10.40%	1,000.00	8-Mar-2019	8-May-2022	3,24,981	324.98	0.18	325.16
10.90%	1,000.00	8-Mar-2019	8-May-2022	7,55,369	755.37	0.94	756.31
10.90% (Effective yield)	1,000.00	8-Mar-2019	8-May-2022	2,35,842	235.84	54.74	290.58
10.50%	1,000.00	8-Mar-2019	8-Mar-2024	4,70,084	470.08	(1.71)	468.37
11.00%	1,000.00	8-Mar-2019	8-Mar-2024	2,60,712	260.71	(0.77)	259.94
11.00% (Effective yield)	1,000.00	8-Mar-2019	8-Mar-2024	1,93,776	193.78	44.59	238.37
10.27%	1,000.00	27-Jun-2019	27-Jun-2021	71,822	71.82	5.30	77.12
10.25% (Effective yield)	1,000.00	27-Jun-2019	27-Jun-2021	34,800	34.80	6.28	41.08
9.95%	1,000.00	27-Jun-2019	27-Jun-2022	1,23,709	123.71	(2.85)	120.86
10.41%	1,000.00	27-Jun-2019	27-Jun-2022	1,22,095	122.10	7.03	129.13
10.40% (Effective yield)	1,000.00	27-Jun-2019	27-Jun-2022	42,780	42.78	7.10	49.88
10.13%	1,000.00	27-Jun-2019	27-Jun-2024	1,56,425	156.43	(5.76)	150.67
10.61%	1,000.00	27-Jun-2019	27-Jun-2024	1,28,003	128.00	5.80	133.80
10.60% (Effective yield)	1,000.00	27-Jun-2019	27-Jun-2024	43,856	43.86	6.84	50.70
10.12%	1,000.00	6-Sep-2019	6-Sep-2021	12,129	12.13	0.68	12.81
10.10% (Effective yield)	1,000.00	6-Sep-2019	6-Sep-2021	4,810	4.81	0.77	5.58
9.81%	1,000.00	6-Sep-2019	6-Sep-2022	29,704	29.70	(0.005)	29.70
10.27%	1,000.00	6-Sep-2019	6-Sep-2022	22,470	22.47	1.19	23.66
10.25% (Effective yield)	1,000.00	6-Sep-2019	6-Sep-2022	8,556	8.56	1.35	9.91
10.04%	1,000.00	6-Sep-2019	6-Sep-2024	37,907	37.91	(0.12)	37.79
10.52%	1,000.00	6-Sep-2019	6-Sep-2024	1,18,099	118.10	6.04	124.14
10.50% (Effective yield)	1,000.00	6-Sep-2019	6-Sep-2024	10,362	10.36	1.65	12.01
9.50%	10,00,000.00	17-Nov-2020	17-May-2022	250	250.00	4.96	254.95
Total					**7,479.59**	**226.45**	**7,706.03**

(All amounts are in Indian Rupees in millions unless stated otherwise)

17.1 (continued)

Interest rate/Effective yield	Face value (Amount in ₹)	Issue date	Redemption date	As at 31 March 2020			
				Number of NCDs	Amount	Impact of interest accrued and Ind AS	Total outstanding amount
10.75%	1,000.00	8-Mar-2019	8-May-2021	37,74,710	3,774.71	(7.41)	3,767.30
10.75% (Effective yield)	1,000.00	8-Mar-2019	8-May-2021	2,46,579	246.58	26.11	272.69
10.40%	1,000.00	8-Mar-2019	8-May-2022	3,24,981	324.98	(1.73)	323.25
10.90%	1,000.00	8-Mar-2019	8-May-2022	7,55,369	755.37	(3.50)	751.87
10.90% (Effective yield)	1,000.00	8-Mar-2019	8-May-2022	2,35,842	235.84	24.70	260.54
10.50%	1,000.00	8-Mar-2019	8-Mar-2024	4,70,084	470.08	(3.50)	466.58
11.00%	1,000.00	8-Mar-2019	8-Mar-2024	2,60,712	260.71	(1.76)	258.95
11.00% (Effective yield)	1,000.00	8-Mar-2019	8-Mar-2024	1,93,776	193.78	20.08	213.86
10.00% (Effective yield)	1,000.00	27-Jun-2019	31-Jul-2020	1,24,154	124.15	7.11	131.26
10.27%	1,000.00	27-Jun-2019	27-Jun-2021	71,822	71.82	3.00	74.82
10.25% (Effective yield)	1,000.00	27-Jun-2019	27-Jun-2021	34,800	34.80	1.41	36.21
9.95%	1,000.00	27-Jun-2019	27-Jun-2022	1,23,709	123.71	(5.28)	118.43
10.41%	1,000.00	27-Jun-2019	27-Jun-2022	1,22,095	122.10	4.31	126.41
10.40% (Effective yield)	1,000.00	27-Jun-2019	27-Jun-2022	42,780	42.78	1.46	44.24
10.13%	1,000.00	27-Jun-2019	27-Jun-2024	1,56,425	156.43	(7.61)	148.82
10.61%	1,000.00	27-Jun-2019	27-Jun-2024	1,28,003	128.00	3.95	131.95
10.60% (Effective yield)	1,000.00	27-Jun-2019	27-Jun-2024	43,856	43.86	1.30	45.16
10.00% (Effective yield)	1,000.00	6-Sep-2019	10-Oct-2020	5,90,347	590.35	28.39	618.74
10.12%	1,000.00	6-Sep-2019	6-Sep-2021	12,129	12.13	0.56	12.69
10.10% (Effective yield)	1,000.00	6-Sep-2019	6-Sep-2021	4,810	4.81	0.22	5.03
9.81%	1,000.00	6-Sep-2019	6-Sep-2022	29,704	29.70	(0.17)	29.53
10.27%	1,000.00	6-Sep-2019	6-Sep-2022	22,470	22.47	1.03	23.50
10.25% (Effective yield)	1,000.00	6-Sep-2019	6-Sep-2022	8,556	8.56	0.38	8.94
10.04%	1,000.00	6-Sep-2019	6-Sep-2024	37,907	37.91	(0.25)	37.66
10.52%	1,000.00	6-Sep-2019	6-Sep-2024	1,18,099	118.10	5.44	123.54
10.50% (Effective yield)	1,000.00	6-Sep-2019	6-Sep-2024	10,362	10.36	0.46	10.81
Total					**7,944.09**	**98.70**	**8,042.78**

Note - 17.1 (continued)
Secured redeemable non convertible debentures (payable at par unless otherwise stated) include:

Interest rate/Effective yield	Face value (Amount in ₹)	Issue date	Redemption date	As at 31 March 2019			
				Number of NCDs	Amount	Impact of interest accrued and Ind AS	Total outstanding amount
10.60%	10,00,000.00	29-Mar-2019	29-Mar-2021	1,750	1,750.00	(57.27)	1,692.73
10.75%	1,000.00	8-Mar-2019	8-May-2021	37,74,710	3,774.71	(38.75)	3,735.96
10.75% (Effective yield)	1,000.00	8-Mar-2019	8-May-2021	2,46,579	246.58	(2.68)	243.90
10.40%	1,000.00	8-Mar-2019	8-May-2022	3,24,981	324.98	(3.46)	321.52
10.90%	1,000.00	8-Mar-2019	8-May-2022	7,55,369	755.37	(7.80)	747.57
10.90% (Effective yield)	1,000.00	8-Mar-2019	8-May-2022	2,35,842	235.84	(2.58)	233.26
10.50%	1,000.00	8-Mar-2019	8-Mar-2024	4,70,084	470.08	(5.04)	465.04
11.00%	1,000.00	8-Mar-2019	8-Mar-2024	2,60,712	260.71	(2.70)	258.01
11.00% (Effective yield)	1,000.00	8-Mar-2019	8-Mar-2024	1,93,776	193.78	(2.14)	191.64
Total					**8,012.05**	(122.43)	**7,889.62**

17.2. Non-convertible debentures is secured by way of first ranking pari-passu charge on the current assets (including investments) of the Company, both present and future; and on present and future loan assets of the Company, including all monies receivable for the principal amount and interest thereon.

17.3. Interest accrued on Non -convertible debenture of ₹ 75.06 millions and ₹ 41.00 millions for the FY 2019-20 and FY 2018-19 respectively has been re-grouped from Other financial liabilities to Debt securities.

17.4. Unsecured commercial papers:

Particulars	As at 31 March 2019
This amount is repayable in one instalment in June 2019.	500.00
This amount is repayable in one instalment in May 2019.	4,500.00
This amount is repayable in one instalment in May 2019.	1,250.00
This amount is repayable in one instalment in June 2019.	2,000.00
This amount is repayable in one instalment in May 2019.	1,250.00
Total	**9,500.00**

Commercial paper carries interest in the range of 8.75 % p.a. to 9.50% p.a.

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Note - 18			
Borrowings (other than debt securities) at amortised cost			
Secured Loans			
Term loans			
- From banks	13,954.17	22,852.58	45,332.34
- From financial institution	5,791.29	7,381.00	4,717.21
Loans from related parties			-
- Holding Company - unsecured (ii)	-	-	2,752.00
Loans repayable on demand			-
- From banks	50.00	250.77	1,472.97
Vehicle loans from bank - secured (iii)	-	-	4.73
Other Loans			-
- Securitisation liabilities	4,083.88	9,215.60	4,082.85
Total	**23,879.34**	**39,699.95**	**58,362.10**
Out of above			
In India	23,879.34	39,699.95	58,362.10
Outside India	-	-	
Total	**23,879.34**	**39,699.95**	**58,362.10**

(All amounts are in Indian Rupees in millions unless stated otherwise)

18.1. Term loans from banks and financial institutions includes:

Particulars	Security	As at 31 March 2021		
		Amount	Impact of interest accrued and Ind AS	Total outstanding amount
Canara Bank (eSyndicate Bank) : This loan is repayable in 16 quarterly equated instalments with moratorium period of 12 months from the date of disbursement. Loan repayment commencing from December 2018 with last instalment falling due in year 2022-23.	First pari passu charge over standard receivables and current assets (including cash & cash equivalents).	500.00	(0.12)	499.88
Indian Overseas Bank : This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	First pari passu charge over book debts/ receivables/ loan portfolio/ all current assets (including investments in liquid mutual fund including cash & cash equivalents).	3,000.00	(5.43)	2,994.57
Bank of Baroda (eVijaya Bank) : This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	First pari passu charge over receivables & current assets (including cash & cash equivalents and investments).	3,000.00	(5.18)	2,994.82
Punjab & Sind Bank : This loan is repayable in 2 equated annual instalments with moratorium period of 36 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	First pari passu charge over receivables & current assets (including cash & cash equivalents and investments).	5,000.00	(0.58)	4,999.42
Union Bank of India : This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from June 2022 with last instalment falling due in year 2023-24.	First pari passu charge on standard receivables and current assets.	1,500.00	(2.09)	1,497.91
RBL Bank : This loan is repayable in 13 equated quarterly instalments with first instalment due at the end of 3 months from the date of disbursement. Loan repayment commencing from September 2018 with last instalment falling due in year 2021-22.	Pari passu charge on loans and advances, receivables & current assets (including cash and cash equivalents & investment in debt mutual fund).	153.85	(0.06)	153.79
National Bank for Agriculture and Rural Development : This loan is repayable in five years with instalments of ₹ 7,500.00 lakh each to be paid for the first six instalments and instalments of ₹ 1,000.00 lakh each to be paid for the last five instalments. Loan repayment commencing from January 2019 with last instalment falling due in year 2023-24.	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	1,250.00	19.78	1,269.78
National Bank for Agriculture and Rural Development : This loan is repayable in five years with instalments of ₹ 4,500.00 lakh each to be paid for the first six instalments and instalments of ₹ 600.00 lakh each to be paid for the last five instalments. Loan repayment commencing from July 2019 with last instalment falling due in year 2024-25.	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	1,200.00	18.21	1,218.21
National Bank for Agriculture and Rural Development : This loan is repayable in five years with instalments of ₹ 5,460.00 lakh each to be paid for the first six instalments and instalments of ₹ 728.00 lakh each to be paid for the last five instalments. Loan repayment commencing from July 2019 with last instalment falling due in year 2024-25.	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	1,456.00	22.13	1,478.13
South Indian Bank : This loan is repayable in 3 equated instalments of ₹ 2,500 lakh each at the end of 3rd, 4th and 5th year after a moratorium period of 24 months.	First pari passu charge over loans and advances, receivables & other current assets (including cash & cash equivalents and investments in debt mutual funds).	750.00	(3.01)	746.99
National Bank for Agriculture and Rural Development : This loan is repayable in 20 equated quaterly instalments Loan repayment commencing from March 2021 with last instalment falling due in year 2025-26.	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	1,900.00	(8.03)	1,891.97
Total		**19,709.85**	**35.62**	**19,745.47**

DHANI LOANS AND SERVICES LIMITED
(Formerly known as Indiabulls Consumer Finance Limited)
ANNEXURE V - Summary of significant accounting policies and other explanatory information to Reformatted Standalone Financial Information
(All amounts are in Indian Rupees in millions unless stated otherwise)

Note - 18.1. (continued)

Particulars	Security	As at 31 March 2020		
		Amount	Impact of interest accrued and Ind AS	Total outstanding amount
Canara Bank (eSyndicate Bank) : This loan is repayable in 16 quarterly equated instalments with moratorium period of 12 months from the date of disbursement. Loan repayment commencing from December 2018 with last instalment falling due in year 2022-23.	First pari passu charge over standard receivables and current assets (including cash & cash equivalents).	625.00	(0.33)	624.67
Indian Overseas Bank : This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	First pari passu charge over book debts/ receivables/ loan portfolio/ all current assets (inculding investments in liquid mutual fund inculding cash & cash equivalents).	3,000.00	(10.84)	2,989.16
Bank of Baroda (eVijaya Bank) : This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	First pari passu charge over receivables & current assets (including cash & cash equivalents and investments).	3,000.00	(10.36)	2,989.64
Punjab & Sind Bank : This loan is repayable in 2 equated annual instalments with moratorium period of 36 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	First pari passu charge over receivables & current assets (including cash & cash equivalents and investments).	5,000.00	(1.18)	4,998.82
Union Bank of India : This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from June 2022 with last instalment falling due in year 2023-24.	First pari passu charge on standard receivables and current assets.	1,500.00	(3.31)	1,496.69
RBL Bank : This loan is repayable in 13 equated quarterly instalments with first instalment due at the end of 3 months from the date of disbursement. Loan repayment commencing from September 2018 with last instalment falling due in year 2021-22.	Pari passu charge on loans and advances, receivables & current assets (including cash and cash equivalents & investment in debt mutual fund).	461.54	(0.67)	460.87
IndusInd Bank : This loan is repayable in 12 equated quarterly instalments which shall commence from the quarter end during which the limit is disbursed. Loan repayment commencing from December 2018 with last instalment falling due in year 2021-22.	First Pari passu charge on loans receivables, & all current assets (including cash and cash equivalents) of the company, both present and future, and on present and future loan asset of the company	1,000.00	(10.01)	989.99
IndusInd Bank : This loan is repaid in one instalment in September 2020.	First Pari passu charge on loans receivables, & all current assets (including cash and cash equivalents) of the company, both present and future, and on present and future loan asset of the company.	3,000.00	(57.82)	2,942.18
Yes bank : This loan is repayable in 18 equated monthly instalments after moratorium of 7 months. Loan repayment commencing from May 2019 with last instalment falling due in year 2020-21.	Pari Pasu charge on all standard current and future book debts and receivables of the company with (including cash & cash equivalents).	3,888.89	(8.26)	3,880.63
National Bank for Agriculture and Rural Development : This loan is repayable in five years with instalments of ₹ 7,500.00 lakh each to be paid for the first six instalments and instalments of ₹ 1,000.00 lakh each to be paid for the last five instalments. Loan repayment commencing from January 2019 with last instalment falling due in year 2023-24.	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	2,750.00	42.99	2,792.99

DHANI LOANS AND SERVICES LIMITED
(Formerly known as Indiabulls Consumer Finance Limited)
ANNEXURE V - Summary of significant accounting policies and other explanatory information to Reformatted Standalone Financial Information
(All amounts are in Indian Rupees in millions unless stated otherwise)

Particulars	Security	As at 31 March 2020		
		Amount	Impact of interest accrued and Ind	Total outstanding amount
National Bank for Agriculture and Rural Development : This loan is repayable in five years with instalments of ₹ 4,500.00 lakh each to be paid for the first six instalments and instalments of ₹ 600.00 lakh each to be paid for the last five instalments. Loan repayment commencing from July 2019 with last instalment falling due in year 2024-25.	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	2,100.00	31.06	2,131.06
National Bank for Agriculture and Rural Development : This loan is repayable in five years with instalments of ₹ 5,460.00 lakh each to be paid for the first six instalments and instalments of ₹ 728.00 lakh each to be paid for the last five instalments. Loan repayment commencing from July 2019 with last instalment falling due in year 2024-25.	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	2,548.00	38.14	2,586.14
Yes bank : This working capital demand loan is repaid in one instalment in June 2020.	Pari Pasu charge on all standard current and future book debts and receivables of the company inculding other current assets	600.00	5.45	605.45
South Indian Bank : This loan is repayable in 3 equated instalments of ₹ 2,500 lakh each at the end of 3rd, 4th and 5th year after a moratorium period of 24 months.	First pari passu charge over loans and advances, receivables & other current assets (including cash & cash equivalents and investrnents in debt mutual funds).	750.00	(4.72)	745.28
Total			**10.15**	**30,233.58**

Interest rate on term loans varies from 8.15% to 10.75% per annum (31 March 2020 - 8.70% to 10.75% per annum).

Particulars	Security	As at 31 March 2019		
		Amount	Impact of interest accrued and Ind AS	Total outstanding amount
RBL Bank : this loan is repayable in 13 quarterly equated instalments commencing from December 2017 with last instalment falling due in year 2019-20.	Pari passu charge on loans and advances, receivables & current assets (including cash and cash equivalents & investment in debt mutual fund).	269.23	(0.64)	268.59
Canara Bank (eSyndicate Bank) : This loan is repayable in 16 quarterly equated instalments with moratorium period of 12 months from the date of disbursement. Loan repayment commencing from December 2018 with last instalment falling due in year 2022-23.	First pari passu charge over standard receivables and current assets (including cash & cash equivalents).	875.00	(0.63)	874.37
Indian Overseas Bank : This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	First pari passu charge over book debts/ receivables/ loan portfolio/ all current assets (inculding investments in liquid mutual fund inculding cash & cash equivalents).	3,000.00	(16.28)	2,983.72
Bank of Baroda (eVijaya Bank) : This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	First pari passu charge over receivables & current assets (including cash & cash equivalents and investments).	3,000.00	(15.55)	2,984.45
Punjab & Sind Bank : This loan is repayable in 2 equated annual instalments with moratorium period of 36 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	First pari passu charge over receivables & current assets (including cash & cash equivalents and investments).	5,000.00	(1.79)	4,998.21
Union Bank of India : This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from June 2022 with last instalment falling due in year 2023-24.	First pari passu charge on standard receivables and current assets.	1,500.00	(0.04)	1,499.96
RBL Bank : This loan is repayable in 13 equated quarterly instalments with first instalment due at the end of 3 months from the date of disbursement. Loan repayment commencing from September 2018 with last instalment falling due in year 2021-22.	Pari passu charge on loans and advances, receivables & current assets (including cash and cash equivalents & investment in debt mutual fund).	769.23	(2.03)	767.20
RBL Bank : This loan is repayable in 13 equated quarterly instalments with first instalment due at the end of 3 months from the date of disbursement. Loan repayment commencing from September 2017 with last instalment falling due in year 2020-21.	Pari passu charge on loans and advances, receivables & current assets (including cash and cash equivalents & investment in debt mutual fund).	942.31	(1.59)	940.71
IndusInd Bank : This loan is repayable in 12 equated quarterly instalments which shall commence from the quarter end during which the limit is disbursed. Loan repayment commencing from December 2018 with last instalment falling due in year 2021-22.	First Pari passu charge on loans receivables, & all current assets (including cash and cash equivalents) of the company, both present and future, and on present and future loan asset of the company	1,666.67	(28.44)	1,638.22

(All amounts are in Indian Rupees in millions unless stated otherwise)

Particulars	Security	As at 31 March 2019		
		Amount	Impact of interest accrued and Ind AS	Total outstanding amount
IndusInd Bank : This loan is repaid in one instalment in September 2019.	First Pari passu charge on loans receivables, & all current assets (including cash and cash equivalents) of the company, both present and future, and on present and future loan asset of the company.	3,000.00	0.74	3,000.74
Yes bank : This loan is repayable in 18 equated monthly instalments after moratorium of 7 months. Loan repayment commencing from May 2019 with last instalment falling due in year 2020-21.	Pari Pasu charge on all standard current and future book debts and receivables of the company with (including cash & cash equivalents).	10,000.00	(81.56)	9,918.44
National Bank for Agriculture and Rural Development : This loan is repayable in five years with instalments of ₹ 7,500.00 lakh each to be paid for the first six instalments and instalments of ₹ 1,000.00 lakh each to be paid for the last five instalments. Loan repayment commencing from January 2019 with last instalment falling due in year 2023-24.	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	4,250.00	60.58	4,310.58
National Bank for Agriculture and Rural Development : This loan is repayable in five years with instalments of ₹ 5,460.00 lakh each to be paid for the first six instalments and instalments of ₹ 728.00 lakh each to be paid for the last five instalments. Loan repayment commencing from July 2019 with last instalment falling due in year 2024-25.	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	3,640.00	(6.52)	3,633.48
Yes bank : This working capital demand loan is repaid in one instalment in Sep' 2019.	Pari Pasu charge on all standard current and future book debts and receivables of the company inculding other current assets	10,000.00	(8.15)	9,991.85
South Indian Bank : This loan is repayable in 3 equated instalments of ₹ 2,500 lakh each at the end of 3rd, 4th and 5th year after a moratorium period of 24 months.	First pari passu charge over loans and advances, receivables & other current assets (including cash & cash equivalents and investrnents in debt mutual funds).	750.00	(6.44)	743.56
lakshmi vilas bank : This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from June 2022 with last instalment falling due in year 2023-24.	First pari passu charge on standard receivables and current assets.	1,500.00	(4.54)	1,495.46
Total			**(112.89)**	**50,049.55**

a. Secured by way of first pari-passu charge over loans and advances, receivables and current assets (including cash and cash equivalents, investments in debt mutual funds and liquid mutual funds) and future book debts.

b. Interest rate on term loans varies from 8.00% to 10.75% per annum.

(ii) Loan from related party carries interest rate of 14.90% per annum and shall be repayment within five years as per agreement.

(iii) Vehicle loans are secured against hypothecation of the vehicles purchased. Such loans are repayable in equated monthly instalments for a period upto five years. Vehicle loans carries interest rate of 7.75% per annum.

c. Interest accrued on borrowings of ₹137.92 millions and ₹ 79.56 millions for the FY 2019-20 and FY 2018-19 respectively has been re-grouped from other financial liabilities to Borrowings (other tan debt securities).

18.2. Loans repayable on demand from banks includes:

Particulars	Security	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Yes bank : This Cash credit facility is repayable on demand by the issuer bank.	Pari passu charge on loans and advances, receivables & current assets (including cash and cash equivalents & investment in debt mutual fund).	-	250.77	927.92
RBL Bank Limited : This Working capital demand loan is repayable between 7 days to 6 Months.	Pari passu charge on loans and advances, receivables & current assets (including cash and cash equivalents & investment in debt mutual fund).	50.00	-	237.69
Axis Bank Limited : This Cash credit facility is repayable on demand by the issuer bank.	Pari passu charge on loans and advances, receivables & current assets (including cash and cash equivalents & investment in debt mutual fund).	-	-	307.36
Total		**50.00**	**250.77**	**1,472.97**

Interest rate on loans repayable on demand from banks are 9.80% per annum (31 March 2020 - 9.50% per annum).

18.3. Securitisation liabilities :
In the course of its finance activity, the Company makes transfers of financial assets, where legal rights to the cash flows from the asset are passed to the counterparty and where the Company retains the rights to the cash flows but assumes a responsibility to transfer them to the counterparty. Securitisation liabilities includes following arrangements:

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
ICICI Bank Limited	439.39	1,732.69	4,082.85
IDFC first bank Limited	3,346.86	6,785.25	-
Axis Bank Limited	297.62	697.67	-
Total	**4,083.87**	**9,215.61**	**4,082.85**

Interest rate on securitisation liabilities varies from 10.00% to 12.06% per annum (31 March 2020 - 10.00% to 12.06% per annum and 31 March 2019 - 10.00% to 12.06% per annum).

(All amounts are in Indian Rupees in millions unless stated otherwise)

Note - 19
Lease liability

Finance lease obligations (refer note 40)	1,338.99	2,334.33	-
	1,338.99	**2,334.33**	**-**

Note - 20
Other financial liabilities

Interest accrued on assigned loan	390.20	281.09	108.90
Temporary overdraft	-	1,088.73	3,893.26
Others			-
- Amount payable on assigned/securitised loans	2,848.96	-	-
	3,239.16	**1,369.82**	**4,002.16**

20.1. Temporary overdraft as per books represent cheques issued in excess of funds in the bank.

20.2. Amount payable on assigned/securitised loans represent the amount collected on sale down portfolio where cash flows are require to pass to the counterparty either through direct assignment or pass through credit.

20.3. Interest accrued on debt securities and borrowings (other than debt securities) for the FY 2019-20 and FY 2018-19 have been re-grouped from Other financial liabilities to Debt Securities (refer note no.17.3.) and Borrowing (other than debt securities)(refer note no. 18 (1) (c).

Note - 21
Provisions

Provision for employee benefits:			
Provision for gratuity	142.05	154.67	77.69
Provision for compensated absences	72.39	89.47	29.06
	214.44	**244.14**	**106.75**

Note - 22
Other non-financial liabilities

Other advances			
Advance from customers	97.75	116.21	107.82
Lease equalisation reserve			31.45
Others			
Statutory dues payable	37.92	320.20	112.91
	135.67	**436.41**	**252.18**

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DHANI LOANS AND SERVICES LIMITED
(Formerly known as Indiabulls Consumer Finance Limited)
ANNEXURE V - Summary of significant accounting policies and other explanatory information to Reformatted Standalone Financial Information
(All amounts are in Indian Rupees in millions unless stated otherwise)

Note - 23
Share Capital

	As at 31 March 2021		As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount	Number	Amount
A. Authorised						
Equity shares of face value of ₹ 10 each	8,00,00,000	800.00	8,00,00,000	800.00	8,00,00,000	800.00
Preference Shares of face value of ₹ 10 each	55,00,000	55.00	55,00,000	55.00	-	-
	8,55,00,000	855.00	8,55,00,000	855.00	8,00,00,000	800.00
B. Issued, subscribed and paid up						
Equity shares of face value of ₹ 10 each	6,11,88,000	611.88	6,11,88,000	611.88	6,11,88,000	611.88
	6,11,88,000	611.88	6,11,88,000	611.88	6,11,88,000	611.88

C. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

	For the year ended 31 March 2021		For the year ended 31 March 2020		For the year ended 31 March 2019	
Equity shares	No. of shares	Amount	No. of shares	Amount		
Opening balance at the beginning of the year	6,11,88,000	611.88	6,11,88,000	611.88	2,45,51,565	245.52
Add: issued during the year	-	-	-	-	3,66,36,435	366.36
Outstanding at the end of the year	6,11,88,000	611.88	6,11,88,000	611.88	6,11,88,000	611.88

D. Terms/rights attached to equity shares
The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to received remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

E. Shares held by shareholders holding more than 5% shares and holding company:

Particulars	As at 31 March 2021		As at 31 March 2020		As at 31 March 2019	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Dhani Services Limited (formerly known as Indiabulls Ventures Limited) and its nominees	6,11,88,000	100.00%	6,11,88,000	100.00%	6,11,88,000	100.00%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

F. The Company has not issued any bonus shares during the current year and five years immediately preceeding current year.

G. There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issue and bought back during the last five years.

Note - 24
Instruments entirely equity in nature

	As at 31 March 2021		As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount	Number	Amount
A. Authorised						
Preference Shares of face value of Rs. 10 each	55,00,000	55.00	55,00,000	55.00	55,00,000	55.00
	55,00,000	55.00	55,00,000	55.00	55,00,000	55.00
B. Issued, subscribed and paid up						
Compulsorily convertible preference shares of face value of Rs. 10 each	-	-	-	-	-	-
	-	-	-	-	-	-

C. Reconciliation of the compulsory convertible preference shares outstanding at the beginning and at the end of the reporting year

	For the year ended 31 March 2021		For the year ended 31 March 2020		For the year ended 31 March 2019	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	-	-	-	-	55,00,000	55.00
Add: Issued during the year	-	-	-	-	-	-
Less: Adjusted during the year*	-	-	-	-	(55,00,000)	(55.00)
Outstanding at the end of the year	-	-	-	-	-	-

D. Terms/rights attached to compulsory convertible preference shares
The Company has only one class of preference shares having a par value of Rs. 10 per share. These can be converted in equity shares at any time up to 20 years from date of issuance. These shares carry 0.001% as dividend percentage which is to be paid as and when declare and approve by Board of directors.

E. No preference shares have been bought back during the period of five years immediately preceding 31 March 2021 and 31 March 2020.

F. No preference shares have been issued for consideration other than cash during the period of five years immediately preceding 31 March 2021 and 31 March 2020.

Note - 25	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Other equity			
Reserve Fund	1,327.00	1,327.00	1,218.49
Securities premium	37,053.44	37,053.44	37,053.44
Capital redemption reserve	10.00	10.00	10.00
Share options outstanding account	249.82	658.23	588.07
Retained earnings	1,940.70	2,439.80	4,035.19
Change in fair value of loan assets through other comprehensive income	52.53	79.25	-
Deemed equity contribution by Holding Company	146.12	136.74	122.57
Debenture redemption reserve	-	-	41.65
Other component of equity	365.30	61.04	-
	41,144.91	41,765.50	43,069.41

Nature and purpose of other reserve:

Reserve Fund
The reserve is created as per the provision of Section 45(IC) of Reserve Bank of India Act, 1934. This is a restricted reserve and no appropriation can be made from this reserve fund except for the purpose as may be prescribed by Reserve Bank of India.

Securities premium
Securities premium represents premium received on issue of shares. The account can be utilised in accordance with the provisions of the Act.

Capital redemption reserve
The same had been created in accordance with provisions of the Act on account of redemption of preference shares.

Share options outstanding account
The reserve is used to recognise the fair value of the options issued to employees of the Company under Holding Company's ESOP's plan.

Change in fair value of loan assets through other comprehensive income
This reserve represents gain on fair valuation of loan portfolio which are held to collect and sale.

Deemed equity contribution by Holding Company
The reserve has been created against initial measurement of financial guarantee (given by Holding Company) at fair value.

Other component of equity
The reserve has been created against excercised amount of employee stock option (issued by Holding Company).

(All amounts are in Indian Rupees in millions unless stated otherwise)

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Note - 26			
Interest income			
On financial assets measured at amortised cost			
Interest on loans	6,711.04	16,435.62	14,477.22
Interest on deposits with banks	248.34	228.12	72.08
Other interest income			-
- Unwinding of interest income	649.53	473.25	8.08
On financial assets classified at fair value through profit or loss			
Interest income from investments			
- Bonds	-	63.81	85.61
- Commercial deposits	-	34.57	10.08
- Compulsory convertible debentures	399.18	252.06	-
- Commercial papers	-	107.07	17.42
	8,008.09	**17,594.50**	**14,670.49**
Note - 27			
Dividend income			
Dividend on investments	-	493.49	253.48
	-	**493.49**	**253.48**
Note - 28			
Fees and commission income			
Subscription income	252.88	-	-
Foreclosure fees and other related income	583.48	913.86	1,183.31
	836.36	**913.86**	**1,183.31**
Note - 29			
Net gain on fair value changes			
Net gain/(loss) on financial instruments at fair value through profit or loss			
On trading portfolio			
- Investments	305.58	(115.94)	140.75
- Derivatives	-	(25.58)	(65.41)
Total net gain/(loss) on fair value changes	**305.58**	**(141.52)**	**75.35**
Fair value changes			
- Realised	292.34	(144.49)	70.36
- Unrealised	13.24	2.97	4.99
Total net gain/(loss) on fair value changes	**305.58**	**(141.52)**	**75.35**
Note - 30			
Net gain on derecogntion of financial assets			
Gain on sale of loan portfolio	1,001.78	6,166.90	315.80
Loss on derecognition of financial guarantee liability	-	-	(17.84)
	1,001.78	**6,166.90**	**297.96**
Note - 31			
Other income			
Fees received against customer acquisition	213.84	-	-
Provisions written back	74.51	-	-
Reimbursement of common expenses	79.19	-	-
Gain on modification/derecognition of financial assets (leases)	109.33	-	-
Net gain on ineffective portion of hedges	-	-	19.61
	476.87	**-**	**19.61**

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Note - 32			
Finance costs			
On financial liabilities measured at amortised cost			
Interest on borrowings	2,421.17	4,331.48	4,246.59
Interest on debt securities	1,004.48	1,424.72	1,093.88
Other interest expenses			
- Interest on corporate loans	-	229.88	-
- Interest on securitisation transactions	752.39	1,145.15	99.09
- Interest on lease liabilities	167.40	247.90	-
- Interest on taxes	-	-	1.23
- Others	13.65	17.48	153.99
	4,359.09	**7,396.61**	**5,594.78**

(All amounts are in Indian Rupees in millions unless stated otherwise)

Note - 33
Impairment on financial assets

Impairment allowance on loans	(451.45)	4,350.41	1,030.13
Loans written off	1,841.54	3,620.54	-
Impairment allowance on interest spread on assigned assets	(28.01)	191.57	-
Impairment allowance on security receipts	177.26	-	-
	1,539.34	**8,162.52**	**1,030.13**

Note - 34
Employee benefits expense

Salaries and wages	3,062.06	3,898.06	1,898.15
Contribution to provident fund and other funds (refer note no. 39)	70.16	53.73	28.25
Share based payments to employees	(104.15)	150.41	345.37
Staff welfare expenses	6.77	76.25	27.49
	3,034.84	**4,178.45**	**2,299.26**

Note - 35
Depreciation and amortisation

Depreciation on property,plant and equipment	159.09	128.56	60.17
Amortisation on intangible assets	106.38	246.98	128.91
Depreciation on right-of-use assets	305.25	404.66	-
	570.72	**780.20**	**189.08**

Note - 36
Other expenses

Repair and maintenance	9.34	17.54	13.98
Insurance	2.14	0.86	-
Communication costs	65.07	184.16	148.38
Printing and stationery	7.54	24.59	16.34
Lease rent	45.93	29.61	279.86
Professional charges	503.44	2,449.36	1,150.25
Auditors' remuneration - audit fees (refer note below)	4.36	3.82	6.99
Rates and taxes	8.59	28.48	6.63
Electricity expenses	22.89	41.36	22.81
Business promotion	368.10	495.99	91.55
Office maintenance	90.33	127.63	88.44
Travelling expenses	135.00	125.49	42.42
Software expenses	156.99	173.85	116.56
Corporate social responsibility expenses#	66.23	62.66	27.25
Loss(gain) on modification/derecognition of financial assets	-	(0.63)	-
Bank charges	267.46	242.21	36.32
Web hosting charges	5.53	4.51	3.71
Loss on sale of property, plant and equipment	63.59	-	-
Miscellaneous expenses	0.17	1.86	1.50
	1,822.69	**4,013.35**	**2,052.99**

Note - 36 (continued)	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**	**For the year ended 31 March 2019**
Payment to statutory auditors: (including goods and services tax)			
As auditor			
- audit and limited review	3.82	3.82	6.80
- for certification	0.55	-	-
	4.36	**3.82**	**6.80**
- in connection with issue of securities*	3.27	3.54	-
- for reimbursement of expenses	0.16	-	0.19

*recognised as transaction cost

#Corporate social responsibility expenses
The Company spent ₹ 66.23 Millions (31 March 2020 ₹ 62.66 Millions, 31 March 2019 Rs. 27.25 Millions), towards corporate social responsibility (CSR) activities as follows:

(a) Amount spent on			
Construction/acquisition of any asset	-	-	-
On purpose other than above*	66.23	62.66	27.25
(b) Amount unpaid	-	-	-
Total	**66.23**	**62.66**	**27.25**

*Contribution towards donation/corpus fund paid to Indiabulls Foundation

(All amounts are in Indian Rupees in millions unless stated otherwise)

Note - 37
Tax expense

Current tax	416.02	118.63	1,553.00
Deferred tax credit	(573.05)	(165.07)	(220.98)
Income tax expense reported in the statement of profit and loss	**(157.03)**	**(46.44)**	**1,332.02**

The major components of tax expense and its reconciliation to expected tax expense based on the enacted tax rate applicable to the Company is 25.17% (31 March 2020: 25.17%, 31 March 2019: Rs. 29.12%) and the reported tax expense in statement of profit and loss are as follows:

Accounting profit/(loss) before tax expense	(698.00)	496.10	5,333.96
Income tax rate	25.17%	25.17%	29.12%
Expected tax expense	(175.67)	124.86	1,553.25
Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense			
Tax impact of expenses which will never be allowed	81.72	39.04	35.75
Tax impact of expenses which will be allowed	-	(170.97)	-
Tax impact on items exempt under income tax	(3.33)	(110.33)	(146.56)
Income chargeable under capital gain (difference of tax rates)	(79.33)	29.61	(145.99)
Impact of change in tax rate	-	47.15	41.00
Others	19.58	(5.80)	(5.42)
Tax expense	**(157.03)**	**(46.44)**	**1,332.02**

Change in tax rate
The decerease of the Indian corporate tax rate from 30% to 22% is effective from 1 April 2019 (the taxation laws (Amendment) Oridinance 2019 No. 15 of 2019 dated 22 September 2019). As a result, the relevant deferred tax balances have been remeasured.

Note - 38
Earnings per equity share

Profit/(loss) available for equity shareholders	(540.97)	542.54	4,001.94
Nominal value of equity share (₹)	10.00	10.00	10.00
Weighted-average number of equity shares for basic earnings per share	6,11,88,000	6,11,88,000	5,03,46,686
Effect of dilution:			-
Preference shares	-	-	55,00,000
Weighted-average number of equity shares used to compute diluted earnings per share	6,11,88,000	6,11,88,000	5,58,46,686
Basic earnings per share (₹)	(8.84)	8.87	79.49
Diluted earnings per share (₹)	(8.84)	8.87	71.66

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(All amounts are in Indian Rupees in millions unless stated otherwise)

Note - 39
Employee benefits
The Company has adopted Indian Accounting Standard (Ind AS) - 19 on Employee Benefit as under :

A Defined contribution plans

The Company pays fixed contribution to provident fund at predetermined rates to a registered provident fund administered by the Government of India, which invests the funds in permitted securities. Both the Company and employees make predetermined contributions to the Provident Fund. The contributions are normally based on a certain proportion of the employee's salary. Amount of ₹ 70.16 Millions (31 March 2020 ₹ 53.73 Millions, 31 March 2019 Rs. 28.25 Millions) pertaining to employers' contribution to provident and other fund is recognised as an expense and included in "Employee benefits expense".

B Defined benefit plans
Gratuity

The Company has a defined benefit unfunded gratuity plan. Every employee is entitled to gratuity as per the provisions of the Payment of Gratuity Act, 1972. The liability of Gratuity is recognised on the basis of actuarial valuation.

Risks associated with plan provisions

Salary increases	Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment risk	If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality & disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

(i) Amount recognised in the balance sheet is as under:

Particulars	**As at 31 March 2021**	**As at 31 March 2020**	**As at 31 March 2019**
Present value of obligation	142.05	154.67	77.69
Fair value of plan assets	-	-	
Net obligation recognised in balance sheet as provision	**142.05**	**154.67**	**77.69**

(ii) Amount recognised in the statement of profit and loss is as under:

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**	**For the year ended 31 March 2019**
Current service cost	51.08	59.55	22.74
Past service cost including curtailment gains/losses	-	-	-
Interest cost on defined benefit obligation	9.55	7.49	1.99
Interest income on plan assets	-	-	-
Net impact on profit (before tax)	**60.63**	**67.04**	**24.73**

(iii) Amount recognised in the other comprehensive income:

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**	**For the year ended 31 March 2019**
Actuarial (gain)/loss recognised during the year	(55.95)	8.58	4.46

(iv) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**	**For the year ended 31 March 2019**
Present value of defined benefit obligation as at the beginning of year	154.67	77.69	15.89
Acquisition adjustment	(5.05)	7.10	32.72
Current service cost	51.08	59.54	22.74
Interest cost	9.55	7.49	1.99
Past service cost including curtailment gains/losses	-	-	-
Benefits paid	(12.25)	(5.73)	(0.11)
Actuarial loss/(gain) on obligation			-
Actuarial loss on arising from change in demographic assumption	-	0.01	-
Actuarial loss on arising from change in financial assumption	0.08	18.08	3.80
Actuarial (gain)/loss on arising from experience adjustment	(56.03)	(9.51)	0.66
Present value of defined benefit obligation as at the end of the year	**142.05**	**154.67**	**77.69**
Expected contribution for the next Annual reporting period	**98.56**	**95.87**	**76.98**

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(All amounts are in Indian Rupees in millions unless stated otherwise)

(v) Actuarial assumptions

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**	**For the year ended 31 March 2019**
Discounting rate	6.79%	6.80%	7.65%
Future salary increase rate	5.00%	5.00%	5.00%
Retirement age (years)	60.00	60.00	60.00
Withdrawal rate	100% of IALM (2012-14)	100% of IALM (2012-14)	100% of IALM (2006-08)
Ages	Withdrawal Rate	Withdrawal Rate	Withdrawal Rate
Up to 30 years	3.00%	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%	2.00%
Above 44 years	1.00%	1.00%	1.00%
Weighted average duration	22.21	21.97	22.39

(vi) Sensitivity analysis for gratuity liability

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**	**For the year ended 31 March 2019**
Impact of the change in discount rate			
Present value of obligation at the end of the year	142.05	154.67	77.69
- Impact due to increase of 0.50 %	(11.20)	(12.21)	(5.92)
- Impact due to decrease of 0.50 %	12.50	13.62	6.57
Impact of the change in salary increase			-
Present value of obligation at the end of the year	142.05	154.67	77.69
- Impact due to increase of 0.50 %	12.67	13.80	6.71
- Impact due to decrease of 0.50 %	(11.43)	(12.47)	(6.09)

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these is not calculated.

Sensitivities as to rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable.

(vii) Maturity profile of defined benefit obligation	**As at 31 March 2021**	**As at 31 March 2020**	**As at 31 March 2019**
0 to 1 year	1.63	2.13	1.47
1 to 2 year	1.25	1.38	0.87
2 to 3 year	1.87	1.78	0.85
3 to 4 year	2.81	2.54	0.90
4 to 5 year	4.56	2.94	1.04
5 to 6 year	3.17	4.24	1.44
6 year onwards	126.77	139.66	71.12

C Other long-term employee benefit plans

The Company provides for compensated absences to its employees. The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The scheme is unfunded and liability for the same is recognised on the basis of actuarial valuation. A provision ₹ (15.75) Millions (31 March 2020: ₹ 59.27 Millions, Rs. 15.72 Millions) for the year have been made on the basis of actuarial valuation at the year end and debited to the Statement of Profit and Loss.

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(All amounts are in Indian Rupees in millions unless stated otherwise)

Note - 40
Leases
The Company has leases for office buildings. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment.
Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right-of-use asset can only be used by the Company. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and other premises the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Company is required to pay maintenance fees in accordance with the lease contracts.

A Lease payments not included in measurement of lease liability
The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Short-term leases	45.93	3.77
Leases of low value assets	-	-
Variable lease payments	-	-

B Total cash outflow for leases (excluding short term lease) for the year ended 31 March 2021 was ₹ 363.57 Millions (31 March 2020: ₹ 490.97 Millions).

C The Company has total commitment for short-term leases of ₹ Nil as at 31 March 2021 (31 March 2020: ₹ Nil)

D Maturity of lease liabilities
The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

31 March 2021	**Minimum lease payment due**						
	Within 1 year	**1 - 2 Years**	**2 - 3 Years**	**3 - 4 Years**	**4 - 5 Years**	**More than 5 years**	**Total**
Lease Payment	309.39	290.17	265.67	264.19	278.01	436.20	1,843.63
Interest Expense	131.42	111.54	94.51	75.99	54.22	36.96	504.64
Net Present Value	**177.97**	**178.63**	**171.16**	**188.20**	**223.79**	**399.24**	**1,338.99**

*During the year, some lease contracts were terminated/executed as a result of which the maturity amount has changed as compared to the previous financial year

31 March 2020	**Minimum lease payment due**						
	Within 1 year	**1 - 2 Years**	**2 - 3 Years**	**3 - 4 Years**	**4 - 5 Years**	**More than 5 years**	**Total**
Lease Payment	526.86	537.66	468.32	410.11	389.21	929.96	3,262.11
Interest Expense	229.14	195.70	159.70	130.81	100.78	111.65	927.78
Net Present Value	**297.72**	**341.96**	**308.62**	**279.30**	**288.43**	**818.30**	**2,334.33**

E Variable lease payments are expensed in the period they are incurred. Expected future cash outflow as at 31 March 2021 is of Rs. Nil (31 March 2020: ₹ Nil).

F The table below describe the nature of the company's lease activities by type of right-of -use asset recognised on balance sheet :

Right of use assets	**Number of leases**	**Range of remaining term**	**Average remaining lease term**	**Number of leases with extension option**	**Number of leases with purchase option**	**Number of leases with termination option**
As at 31 March 2021 Office Building	136	6 Months to 105 Months	48 Months	-	-	136

Right of use assets	**Number of leases**	**Range of remaining term**	**Average remaining lease term**	**Number of leases with extension option**	**Number of leases with purchase option**	**Number of leases with termination option**
As at 31 March 2020 Office Building	225	9.17 Month to 105.53 Month	82.93 Month	-	-	225

G The total future cash outflows as at 31 March 2021 for leases that had not yet commenced is of ₹ 9.56 Millions (31 March 2020: ₹ 54.36 Millions).

H Following are the changes in the carrying value of right of use assets for the year ended:

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**	**For the year ended 31 March 2019**
Opening Balance	2,209.50	-	-
Reclassified on account of adoption of Ind AS 116	-	2,210.32	-
Additions	850.58	513.89	-
Deletion	1,540.14	110.05	-
Depreciation*	305.25	404.66	-
Closing Balance	**1,214.69**	**2,209.50**	**-**

*The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The following is the movement in lease liabilities during the year ended :

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**	**For the year ended 31 March 2019**
Opening Balance	2,334.33	-	-
Adjustment on account of Ind AS 116	-	2,188.83	-
Additions	850.31	499.26	-
Finance cost accrued during the period	167.40	247.90	-
Deletion	1,649.48	110.69	-
Payment of lease liabilities	363.57	490.97	-
Closing Balance	**1,338.99**	**2,334.33**	**-**

(All amounts are in Indian Rupees in millions unless stated otherwise)

I Impact on transition

1 Effective 1 April 2019, the Company has adopted Ind AS 116 "Leases" and applied modified retrospective approach to all lease contracts existing as at 1 April 2019. On transition, the adoption of new standard resulted in recognition of lease liability of ₹ 2,188.83 million and corresponding right of use asset of ₹ 2,210.32 million.

2 For contracts in place as at 1 April 2019, Company Group has elected to apply the definition of a lease from Ind AS 17 and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17.

3 The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of Ind AS 116, being 1 April 2019.

4 Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Company has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of Ind AS 116.

5 On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Group has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straightline basis over the remaining lease term.

6 For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under Ind AS 17 immediately before the date of initial application.

7 The following is a reconciliation of total operating lease commitments at 31 March 2019 (as disclosed in the financial statements for the year ended 31 March 2019) to the lease liabilities recognised at 1 April 2019:

8 The following is a reconciliation of total operating lease commitments at 31 March 2019 (as disclosed in the financial statements for the year ended 31 March 2019) to the lease liabilities recognised at 1 April 2019:

Particular	Amount
Total operating lease commitments disclosed as at 31 March 2019	3,181.91
Recognition exemptions:	
Leases of low value assets	-
Leases with remaining lease term of less than 12 months	-
Variable lease payments not recognised	-
Operating lease liabilities before discounting	3,181.91
Discounting impact (using incremental borrowing rate)	(993.08)
Operating lease liabilities	2,188.83
Finance lease obligations under Ind AS 17	-
Total lease liabilities recognised under Ind AS 116 at 1 April 2019	**2,188.83**

Following are the changes in the carrying value of right of use assets for the year ended 31 March 2020:

Particulars	Year ended 31 March 2020
Balance as at 1 April 2019	-
Reclassified on account of adoption of Ind AS 116	2,210.32
Additions	513.89
Deletion	110.05
Depreciation*	404.66
Balance as at 31 March 2020	**2,209.50**

*The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The following is the movement in lease liabilities during the year ended 31 March 2020:

Particulars	Year ended 31 March 2020
Balance at beginning	-
Adjustment on account of Ind AS 116	2,188.83
Additions	499.26
Finance cost accrued during the period	247.89
Deletion	110.68
Payment of lease liabilities	490.97
Balance as at end	**2,334.33**

Note - 41
Contingent liabilities and commitments
i. Contingent liabilities

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Claims against the Company not acknowledged as debt;* Income tax matter in dispute	9.50	9.59	-
Total	**9.50**	**9.59**	

*In respect of disputes, the Company is hopeful of succeeding in appeals and does not expect any significant liabilities to materialise.

ii. Capital commitments
(to the extent not provided for)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advance paid)	15.47	59.63	115.46

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(All amounts are in Indian Rupees in millions unless stated otherwise)

Note - 42
Financial instruments

A Financial assets and liabilities

The carrying amounts of financial instruments by category are as follows:

Particulars	Note	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Financial assets measured at fair value				
Investments measured at fair value through profit or loss	Note - 7	13,781.11	5,846.84	5,504.59
Loans measured at				-
Fair value through other comprehensive income	Note - 6	1,755.01	4,877.36	-
Financial assets measured at amortised cost				-
Cash and cash equivalents	Note - 4	9,961.43	19,668.69	9,307.85
Other bank balances	Note - 5	2,428.59	3,379.85	1,453.88
Investments	Note - 7	999.98	5,000.01	261.75
Loans	Note - 6	35,456.72	36,918.09	1,05,081.33
Other financial assets	Note - 8	837.32	5,219.99	478.94
Financial assets measured at cost				-
Investments*	Note - 7	9,312.95	8,552.30	-
Total		**74,533.11**	**89,463.13**	**1,22,088.35**
Financial liabilities measured at fair value				
Derivative financial instruments	Note - 14	-	-	20.94
Financial liabilities measured at amortised cost				-
Trade payables	Note - 15	378.56	632.35	580.41
Other payables	Note - 16	911.49	300.95	181.94
Debt securities (including interest accrued)	Note - 17	7,706.03	8,042.78	17,389.62
Borrowings (other than debt securities) [including interest accrued]	Note - 18	23,879.34	39,699.95	58,362.10
Lease liabilities	Note - 19	1,338.99	2,334.33	-
Other financial liabilities	Note - 20	3,239.16	1,369.82	4,002.16
Total		**37,453.57**	**52,380.18**	**80,537.17**

* Investment in subsidiaries are measured at cost as per Ind AS 27, 'Separate financial statements'.

B Fair values hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statements and are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

The categories used are as follows:
Level 1: Quoted prices (unadjusted) for identical instruments in an active market;
Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and
Level 3: Inputs which are not based on observable market data (unobservable inputs).

B.1 a) Financial assets and liabilities measured at fair value - recurring fair value measurements

As at 31 March 2021	Level 1	Level 2	Level 3	Total
Financial assets				
Investments at fair value through profit and loss				
Mutual fund	13,748.28	-	-	13,748.28
Security receipt	-	32.83	-	32.83
Loans measured at fair value through other comprehensive income				
Loans	-	-	1,755.01	1,755.01

As at 31 March 2020	Level 1	Level 2	Level 3	Total
Financial assets				
Investments at fair value through profit and loss				
Debt securities	5,059.90	-	-	5,059.90
Mutual funds	786.95	-	-	786.95
Loans measured at fair value through other comprehensive income				
Loans	-	-	4,877.36	4,877.36

As at 31 March 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Investments at fair value through profit and loss				
Debt securities	261.75	-	-	261.75
Mutual fund	5,504.59	-	-	5,504.59
Financial liabilities at fair value through profit and loss	-			-
Derivative liability	20.94	-	-	20.94

Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:
(a) the use of quoted market prices for quoted equity instruments and debt securities.
(b) the use of quoted market prices for derivative contracts at balance sheet date.
(c) the use of net asset value for certificate of deposits and mutual funds on the basis of the statement received from investee party.

b) Movement of loans measured using unobservable inputs (Level 3):

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Balance as at 1 April 2020	4,905.72	-	-
Addition during the year	4,415.08	56,968.61	-
Disposal during the year	(7,612.58)	(52,168.79)	-
Gain recognised in statement of profit and loss	70.20	105.90	-
Balance as at 31 March 2021*	**1,778.42**	**4,905.72**	**-**

*The above amounts are gross carrying amounts (refer note 6)

(All amounts are in Indian Rupees in millions unless stated otherwise)

c) Sensitivity disclosure for level 3 fair value measurements:

Particulars	Fair value as at		Sensitivity	Impact of change in rates on total comprehensive income statement			
	As at 31 March 2021	As at 31 March 2020		As at 31 March 2021 Favourable	As at 31 March 2021 Unfavourable	As at 31 March 2020 Favourable	As at 31 March 2020 Unfavourable
Loans	1,778.42	4,905.72	1%	15.11	(14.61)	40.48	(39.10)

B.2 Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

Particulars	As at 31 March 2021		As at 31 March 2020		As at 31 March 2019	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Financial assets						
Cash and cash equivalents	9,961.43	9,961.43	19,668.69	19,668.69	9,307.85	9,307.85
Other bank balances	2,428.59	2,428.59	3,379.85	3,379.85	1,453.88	1,453.88
Investments	999.98	999.98	5,000.01	5,000.01	-	-
Loans	37,211.73	39,986.63	36,918.09	36,923.95	1,05,081.33	1,07,689.18
Other financial assets	837.32	789.81	5,219.99	5,555.46	478.94	476.56
Total	**51,439.05**	**54,166.44**	**70,186.63**	**70,527.96**	**1,16,322.00**	**1,18,927.47**
Financial liabilities						
Trade payables	378.56	378.56	632.35	632.35	580.41	580.41
Other payables	911.49	911.49	300.95	300.95	181.94	181.94
Debt securities	7,706.03	8,014.12	8,042.78	8,545.48	17,389.62	17,389.62
Borrowings (other than debt securities)	23,879.34	23,920.36	39,699.95	39,712.14	58,362.10	58,477.34
Lease liabilities	1,338.99	1,336.40	2,334.33	2,407.23	-	-
Other financial liabilities	3,239.16	3,239.16	1,369.82	1,369.82	4,002.16	4,002.16
Total	**37,453.57**	**37,800.09**	**52,380.18**	**52,967.97**	**80,516.23**	**80,631.47**

The management assessed that fair values of cash and cash equivalents, other financial assets and other financial liabilities approximate their respective carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Financial instruments measured at fair value and fair value of financial instruments carried at amortized cost

Type	Valuation technique	Significant unobservable input	Inter-relationship between significant unobservable inputs and fair value and sensitivity
Financial assets and liabilities measured at amortized cost	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates	Not applicable	Not applicable
Financial assets measured at FVTPL	NAV based method.	Not applicable	Not applicable
Financial assets measured at FVOCI	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates	The discount rate is the average lending rate at which the loans are disbursed	There is an inverse correlation. Higher the discount rate i.e average lending rate for the disbursed loans, lower the fair value of the assets

Note - 43
Financial risk management

i) Risk Management

As a Non-Banking Financial Company (NBFC), the Company is exposed to various risks that are related to lending business and operating environment. The principal objective in Company 's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks. Company 's risk management framework is driven by Board and its subcommittees including the Audit Committee, the Asset Liability Management Committee and the Risk Management Committee. Company gives due importance to prudent lending practices and have implemented suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, personal verification of a customer's business and residence, technical and legal verifications, conservative loan to value, and required term cover for insurance. The major types of risk Company face in businesses are liquidity risk, credit risk and interest rate risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial

In order to avoid excessive concentration of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

A) Credit risk

Credit risk arises from the potential that an obligor is either unwilling to perform on an obligation or its ability to perform such obligation is impaired resulting in economic loss to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, bank balances other than cash and cash equivalents, loan assets and other financial assets. The Company continuously monitors defaults of customers and other counterparties and incorporates this information

a) Credit risk management

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

(i) Low credit risk
(ii) Moderate credit risk
(iii) High credit risk

(All amounts are in Indian Rupees in millions unless stated otherwise)

The Company provides for expected credit loss based on the following:

Nature	Assets covered	Basis of expected credit loss
Low credit risk	Cash and cash equivalents, other bank balance, loans, Investment in CCD & Mutual fund, security deposits and other financial assets	12 month expected credit loss
Moderate credit risk	Loans	Life time expected credit loss
High credit risk	Loans and Investment in security receipt	Life time expected credit loss or fully provided for

Financial assets that expose the entity to credit risk*

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
(i) Low credit risk			
Cash and cash equivalents	9,961.43	19,668.69	9,307.85
Other bank balances	2,428.59	3,379.85	1,453.88
Loans	29,554.16	43,962.83	1,04,754.92
Investments	14,748.26	10,846.85	-
Other financial assets	837.32	5,219.99	478.94
(ii) Moderate credit risk			
Loans	7,779.47	2,220.15	733.85
(iii) High credit risk			
Investment	32.83	-	-
Other financial assets	163.56	191.57	-
Loans	4,270.14	909.49	841.29

* These represent gross carrying values of financial assets, without netting off impairment loss allowance.

Cash and cash equivalents and bank deposits
Credit risk related to cash and cash equivalents and bank deposits is managed by only placing highly rated deposits in banks and financial institutions across the country.

Other financial assets measured at amortized cost
Other financial assets measured at amortized cost includes loans to employees, security deposits, interest spread on assigned assets and other recoverable. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

Loans
The Company closely monitors the credit-worthiness of the borrower's through internal systems and project appraisal process (wherever applicable) to assess the credit risk and define credit limits of borrower, thereby, limiting the credit risk to pre-calculated amounts. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. The Company assesses increase in credit risk on an ongoing basis for the amounts loan assets that become past due and default is considered to have been occurred when amounts receivable become one year past due.
The major guidelines for selection of the client includes:
• The client's income and indebtedness levels
• The client must possess the required Know Your Customer (KYC) documents
• Client must agree to follow the rules and regulations of the Company
• Credit bureau check – In order to deal with the problem of over extension of credit and indebtedness of the client, the Company undertakes credit bureau checks for every client. The credit bureau check helps the Company in identifying clients with poor repayment histories and multiple loans.

Category*	Inputs	Assumptions
Corporate borrowers Retail borrowers	1. Historical data as per industry trends 2. Supplemental external information that could affect the borrowers behaviour 3. Discount rate is based on internal rate of return on the loan	1. Recoverability assumptions for stage 3 loan assets and related assessment with value of collateral 2. Management judgement is applied to determine the economic scenarios and the application of probability weights

* The Company has used forward looking information in form of GDP growth rate and unemployment rate specific to the sector.

Assets are written off when there is no reasonable expectation of recovery. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

b) Credit risk exposure
i) Expected credit losses for financial assets other than loans

As at 31 March 2021	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	9,961.43	-	9,961.43
Other bank balances	2,428.59	-	2,428.59
Investments	24,271.31	177.27	24,094.04
Other financial assets	1,000.88	163.56	837.32

As at 31 March 2020	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	19,668.69	-	19,668.69
Other bank balances	3,379.85	-	3,379.85
Investments	19,399.15	-	19,399.15
Other financial assets	5,411.56	191.57	5,219.99

As at 31 March 2019	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	9,307.85	-	9,307.85
Bank balances other than cash and cash equivalents	1,453.88	-	1,453.88
Other financial assets	478.94	-	478.94

(All amounts are in Indian Rupees in millions unless stated otherwise)

ii) Expected credit loss for loans

Definition of default:
The Company considers default in all cases when the borrower becomes 90 days past due on its contractual payments. 'The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the probability of default, exposure at default and loss given default.

Changes in the gross carrying amount in relation to loans from beginning to end of reporting period:

Particulars	Stage 1	Stage 2	Stage 3
Gross carrying amount as at 01 April 2018	**40,029.72**	**124.76**	**20.80**
Assets originated	98,456.21	-	-
Net transfer between stages and de-recognition	(1,859.24)	888.34	970.90
Assets derecognised (excluding write off)	(31,871.77)	(279.25)	(150.40)
Gross carrying amount as at 31 March 2019	**1,04,754.92**	**733.85**	**841.30**
Assets originated	1,17,088.70	-	-
Net transfer between stages and de-recognition	(1,77,880.79)	21,467.62	11,874.16
Assets derecognised (excluding write off)	-	-	(3,620.54)
Gross carrying amount as at 31 March 2020	**43,962.83**	**22,201.47**	**9,094.92**
Assets originated	44,515.78	-	-
Net transfer between stages and de-recognition	(58,924.45)	(14,422.00)	(2,983.24)
Assets derecognised (excluding write off)	-	-	(1,841.54)
Gross carrying amount as at 31 March 2021	**29,554.16**	**7,779.47**	**4,270.14**

Reconciliation of loss allowance provision from beginning to end of reporting period:

Reconciliation of loss allowance	Stage 1	Stage 2	Stage 3
Loss allowance on 1 April 2018	120.92	12.53	16.71
Increase of provision due to assets originated and purchased during the year	413.52	-	-
Net transfer between stages and written back	(813.38)	218.71	594.68
Loss allowance written-off	719.72	(1.43)	(33.23)
Loss allowance as on 31 March 2019	440.77	229.81	578.15
Increase of provision due to assets originated and purchased during the year	4,369.92	-	-
Net transfer between stages and written back	(711.58)	404.58	(2,641.41)
Loss allowance written-off	-	-	2,626.77
Write - offs	-	-	-
Loss allowance as at 31 March 2020	**4,099.11**	**634.39**	**563.52**
Increase of provision due to assets originated during the year	244.34	-	-
Net transfer between stages and written back	(4,131.44)	234.33	4,240.95
Loss allowance written-off	-	-	(1,493.16)
Write - offs	-	-	
Loss allowance as at 31 March 2021	**212.01**	**868.72**	**3,311.31**

c) Concentration of loans

Prudent risk management involves the minimisation of concentration risk by diversifying the loan portfolio. Setting up exposure limit for particular industry, sector, geographical area, product, etc. is essential to reduce the concentration of the loan portfolio.

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Corporate borrowers	11,731.12	6,959.11	32,438.28
Retail borrowers	29,872.65	40,133.35	73,891.78
Total	**41,603.77**	**47,092.46**	**1,06,330.06**

d) Loans secured against collateral

Company's secured portfolio has security base as follows::

Particulars	Value of loans		
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Secured by tangible assets	7,195.83	11,816.21	49,430.67
Secured by other assets	-	116.19	177.67

Wherever required, the Company holds other types of collateral and credit enhancements, such as cross-collateralisation on other assets of the borrower, pledge of securities, guarantees of promoters/proprietors, hypothecation of receivables via escrow account, hypothecation of receivables in other bank accounts, etc.
The Company does not physically possesses properties or other assets in its normal course of business but makes efforts toward recovery of outstanding amounts on delinquent loans. Once contractual loan repayments are more than 90 days past due, possession of property may be initiated. Possessed property is disposed of in the manner prescribed under the regulatory guidance to recover outstanding debt.

B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

The Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors the Company's (through Asset Liability Management Committee) liquidity positions (also comprising the undrawn borrowing facilities), matching of the financial assets and financial liabilities position and cash and cash equivalents on the basis of expected cash flows. The Company also takes into account liquidity of the market in which the entity operates.

(i) Financing arrangements

The Company had access to the following funding facilities:

As at 31 March 2021	Total facility	Undrawn
- Expiring within one year	2,500.00	2,450.00
Total	**2,500.00**	**2,450.00**

As at 31 March 2020	Total facility	Undrawn
- Expiring within one year	650.00	399.23
Total	**650.00**	**399.23**

As at 31 March 2019	Total facility	Undrawn
- Expiring within one year	2,085.90	612.93
Total	2,085.90	612.93

(All amounts are in Indian Rupees in millions unless stated otherwise)

(ii) Maturities of financial assets and liabilities

The tables below analyse the Company financial assets and liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows:

As at 31 March 2021	Less than 1 year	1-3 years	More than 3 years	Total
Financial assets				
Cash and cash equivalents	9,961.43	-	-	9,961.43
Other bank balances	2,428.59	-	-	2,428.59
Loans	16,083.21	22,657.39	23,133.50	61,874.10
Investments	14,781.09	-	9,312.95	24,094.04
Other financial assets	892.29	238.16	71.14	1,201.59
Total undiscounted financial assets	**44,146.61**	**22,895.55**	**32,517.59**	**99,559.75**
Financial liabilities				
Debt Securities	4,671.42	3,380.57	562.07	8,614.06
Borrowings (other than debt securities)	14,200.89	11,324.58	905.57	26,431.04
Trade payables	378.56	-	-	378.56
Other payable	911.49	-	-	911.49
Lease liabilities	309.39	555.84	978.40	1,843.63
Other financial liabilities	3,239.16	-	-	3,239.16
Total undiscounted financial liabilities	**23,710.91**	**15,260.99**	**2,446.04**	**41,417.94**
Net financial assets/(liabilities)	**20,435.70**	**7,634.56**	**30,071.55**	**58,141.81**

The amounts disclosed in the table are the contractual undiscounted cash flows:

As at 31 March 2020	Less than 1 year	1-3 year	More than 3 years	Total
Financial assets				
Non-derivatives				
Cash and cash equivalents	19,668.69	-	-	19,668.69
Other bank balances	3,379.85	-	-	3,379.85
Loans	28,624.08	18,730.53	31,942.56	79,297.17
Investments	5,846.84	5,000.01	8,552.30	19,399.15
Other financial assets	4,900.09	926.80	145.51	5,972.40
Total undiscounted financial assets	**62,419.55**	**24,657.34**	**40,640.37**	**1,27,717.26**
Financial liabilities				
Non-derivatives				
Debt securities	1,552.66	6,502.06	1,739.77	9,794.49
Borrowings (other than debt securities)	21,181.12	21,953.94	1,825.91	44,960.97
Trade payables	632.35	-	-	632.35
Other payable	300.95	-	-	300.95
Lease liabilities	526.86	1,005.97	1,729.27	3,262.10
Other financial liabilities	1,369.82	-	-	1,369.82
Total undiscounted financial liabilities	**25,563.76**	**29,461.97**	**5,294.95**	**60,320.68**
Net financial assets/(liabilities)	**36,855.79**	**(4,804.63)**	**35,345.42**	**67,396.58**

As at 31 March 2019	Less than 1 year	1-3 years	More than 3 years	Total
Financial assets				
Non-derivatives				
Cash and cash equivalent and other bank balances	10,176.52	680.18	-	10,856.70
Loans	46,250.85	64,530.85	27,932.81	1,38,714.52
Investments	5,766.34	-	-	5,766.34
Other financial assets	225.15	206.45	181.31	612.92
Total undiscounted financial assets	**62,418.87**	**65,417.48**	**28,114.12**	**1,55,950.47**
Financial liabilities				
Non-derivatives				
Debt Securities	10,264.07	6,934.65	2,416.10	19,614.82
Borrowings other than debt securities	28,927.31	19,788.57	8,889.70	57,605.58
Trade payables	580.41	-	-	580.41
Other payable	181.94	-	-	181.94
Other financial liabilities	6,200.67	1,901.12	6.89	8,108.68
Derivatives (net settled)				
Index linked derivatives	20.94	-	-	20.94
Total undiscounted financial liabilities	**46,175.35**	**28,624.34**	**11,312.69**	**86,112.38**
Net undiscounted financial assets/(liabilities)	**16,243.52**	**36,793.14**	**16,801.43**	**69,838.09**

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(All amounts are in Indian Rupees in millions unless stated otherwise)

C) Market risk

Market risk is the risk that the value of on and off-balance sheet positions of a financial institution will be adversely affected by movements in market rates or prices such as interest rates, foreign exchange rates, equity prices, credit spreads and/or commodity prices resulting in a loss to earnings and capital.

The Company's exposure to market risk is primarily on account of interest rate risk and price risk

a) Interest rate risk
i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at 31 March 2021, the Company is exposed to changes in market interest rates borrowings other than debt securities at variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Fixed rate liabilities*			
Debt securities	7,619.39	7,967.72	17,348.62
Borrowings (other than debt securities)	9,875.17	16,596.59	14,701.07
Variable rate liabilities*			-
Borrowings (other than debt securities)	13,937.32	22,965.45	43,581.47
Total	**31,431.88**	**47,529.76**	**75,631.16**

* Above borrowing amounts exclude accrued interest

Sensitivity

Below is the sensitivity of profit or loss in interest rates.

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest sensitivity*			
Interest rates – increase by 0.50%	69.69	114.83	(690.43)
Interest rates – decrease by 0.50%	(69.69)	(114.83)	(690.43)

* Holding all other variables constant

ii) Assets

The Company's term deposits and commercial paper/deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

b) Price risk
i) Exposure

The Company's exposure price risk arises from investments held and classified in the balance sheet at fair value through profit or loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

ii) Sensitivity

The table below summarises the impact of increases/decreases of the index on the Company's profit for the period:

Impact on profit after tax

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Mutual funds			
Net assets value – increase by 5%	687.41	39.35	275.23
Net assets value – decrease by 5%	(687.41)	(39.35)	(275.23)
Quoted debt securities			-
Market price – increase by 5%	-	253.00	13.09
Market price – decrease by 5%	-	(253.00)	(13.09)

Note - 44
Capital management

The Company's capital management objectives are
- to ensure the Company's ability to continue as a going concern
- to comply with externally imposed capital requirement and maintain strong credit ratings
- to provide an adequate return to shareholders

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Net debt*	21,623.94	28,074.04	66,443.85
Total equity	41,756.79	42,377.38	43,681.29
Net debt to equity ratio	0.52	0.66	1.52

* Net debt includes debt securities + borrowings other than debt securities + interest accrued- cash & cash equivalents

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(All amounts are in Indian Rupees in millions unless stated otherwise)

Note - 45

Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities.

Particulars	**As at 31 March 2021**		**As at 31 March 2020**		**As at 31 March 2019**	
ASSETS	**Within 12 months**	**After 12 months**	**Within 12 months**	**After 12 months**	**Within 12 months**	**After 12 months**
Financial assets						
Cash and cash equivalents	9,961.43	-	19,668.69	-	9,307.85	-
Other bank balances	2,428.59	-	3,379.85	-	832.64	621.24
Loans	13,774.25	23,437.48	17,575.53	24,219.92	45,301.36	59,779.97
Investments	14,781.09	9,312.95	5,846.84	13,552.31	5,766.34	-
Other financial assets	594.73	242.59	4,392.38	827.61	196.11	282.83
	41,540.09	**32,993.02**	**50,863.29**	**38,599.84**	**61,404.30**	**60,684.04**
Non-financial assets						
Current tax assets (net)	1,256.94	-	909.37	-	71.35	-
Deferred tax assets (net)	-	1,047.85	-	479.91	-	339.33
Investment accounted for using equity method	-	-	-	-	-	357.04
Property, plant and equipment	-	601.29	-	630.84	-	309.33
Right-of-use assets	249.09	965.60	415.81	1,793.69	-	-
Intangible assets under development	-	38.05	-	54.26	-	24.61
Other intangible assets	-	446.55	-	487.96	-	518.49
Other non-financial assets	283.59	138.40	1,179.18	23.96	767.35	101.55
	1,789.62	**3,237.74**	**2,504.36**	**3,470.62**	**838.70**	**1,650.35**
TOTAL ASSETS	**43,329.71**	**36,230.76**	**53,367.65**	**42,070.46**	**62,243.00**	**62,334.39**
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
Derivative financial instruments	-	-	-	-	20.94	-
Payables					-	-
Trade payables					-	-
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	378.56	-	632.35	-	580.41	-
Other payables					-	-
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	911.49	-	300.95	-	181.94	-
Debt securities	4,292.44	3,413.59	825.06	7,217.72	6,748.00	10,600.62
Borrowings (other than debt securities)	14,973.23	8,906.11	17,980.40	21,719.55	27,764.25	30,518.29
Lease liabilities	177.97	1,161.02	297.73	2,036.60	-	-
Other financial liabilities	3,239.16	-	1,369.82	-	4,122.72	-
	23,972.85	**13,480.72**	**21,406.31**	**30,973.87**	**39,418.26**	**41,118.91**
Non-financial liabilities						
Provisions	3.55	210.89	4.50	239.64	2.34	104.41
Other non-financial liabilities	135.67	-	436.41	-	226.65	25.53
	139.22	**210.89**	**440.91**	**239.64**	**228.99**	**129.94**
TOTAL LIABILITIES	**24,112.07**	**13,691.61**	**21,847.22**	**31,213.51**	**39,647.25**	**41,248.85**
Net equity	**19,217.64**	**22,539.15**	**31,520.43**	**10,856.95**	**22,595.76**	**21,085.54**

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(All amounts are in Indian Rupees in millions unless stated otherwise)

Note - 46
Operating segments
General information

The Company operates in a single reportable segment i.e. financing and investing related activities, which has similar risks and returns for the purpose of Ind AS 108 "Operating segments", is considered to be the only reportable business segment. The Company derives its major revenues from financing activities and its customers are widespread. Further, The Company is operating in India which is considered as a single geographical segment.

Note - 47
Related party disclosure
(a) Details of related parties:

Description of relationship	Names of related parties
Holding company	Dhani Services Limited
Subsidiary companies (including step-down subsidiaries)	TranServ Limited (formerly known as TranServ Private Limited) (from 1 April 2019) Indiabulls Distribution Services Limited (from 26 March 2020) Indiabulls Alternate InvestmentsLimited (from 26 March 2020) Indiabulls Investment Advisors Limited (from 20 March 2020)
Fellow subsidiary companies (with whom transactions took place)	Indiabulls Distribution Services Limited (till 26 March 2020) Indiabulls Investment Advisors Limited (till 20 March 2020) Indiabulls ARC- XVII Trust Dhani Healthcare Limited Dhani Stocks Limited

(b) Statement of transactions with related parties during the year:

Particulars	Holding company			Subsidiaries/Fellow subsidiaries/ Step-down subsidiaries			Key management personnel		
	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Finance									
- Loans given									
(Maximum balance outstanding during the year):	-	6,050.00		550.00	7,100.00	3,000.00	-	-	-
- Loans taken									
(Maximum balance outstanding during the year):	-	7,002.00	9,892.00	-	-		-	-	-
Share capital			-						-
- Issue of equity shares	-	-	25,722.48	-	-		-	-	-
Investment/redemption			-						-
- Purchase of equity shares	-	55.00	-	-	-		-	-	-
- Investment in equity shares	-	-	-	-	8,000.01		-	-	-
- Redemption of compulsory convertible preference shares	-	-	-	-	-	2,750.00	-	-	-
- Investment/ (redumption) in compulsorily convertible debentures	-	-	-	(4,000.03)	5,000.01	-	-	-	-
- Investment in security receipts	-	-	-	210.10	-		-	-	-
Assets			-						-
- Advances given		-	-		-			-	-
- Deposit for mark to margin account		-	4.26		-			-	-
Liabilities			-						-
- Employee benefits transfer received	-	4.39	1.38	-	5.27	20.60	-	-	-
- Employee benefits transfer paid	-	0.41	-	206.39	0.89		-	-	-
Fixed deposits pledged			110.00						-
Income			-						-
- Interest income from loan	-	123.99	-	23.79	137.12	2.71	-	-	-
-Service fee	-	-	-	-	-	0.18			-
- Interest income from Compulsorily Convertible Debentures	-	-	-	399.18	252.06		-	-	-
- Foreclosure fees and other related income			-	1.02					-
- Fees received against customer acquisition	-	-	-	213.84	-		-	-	-
- Net gain on derecogntion of financial assets	-	-	-	1,015.06	-		-	-	-
- Charge back for common expenses	-	-	-	79.19	-		-	-	-
Expenses			-						-
-Brokerage paid	-	1.44	2.56	-	-		-	-	-
-Interest expense	-	104.74	403.25	-	-		-	-	-
-Professional charges	-	-	-	25.80	-		-	-	-
Dividend paid	-	1,728.56	-	-	-		-	-	-
Reimbursement of expenses paid/(received)	8.65	28.33	-	(66.28)	228.20	5.11		-	-
Compensation to key management personnel			-						
- Short term employee benefits	-	-	-	-	-		13.68	26.71	30.40
- Sitting fees	-	-	-	-	-		1.85	1.20	2.18
- Post employee benefits- gratuity	-	-	-	-	-		0.02	0.20	1.32
- Other long-term benefits- compensated absences	-	-	-	-	-		(1.45)	0.80	1.28
- Share based payment expenses	-	-	-	-	-		(19.74)	49.34	84.43
Non convertible debentures issued	-	-	-	-	-		-	-	1.00

(c) Outstanding at year ended 31 March 2021:

Nature of transaction	Holding company			Subsidiaries/Fellow subsidiaries		
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Investment in compulsorily convertible debentures	-	-		999.98	5,000.01	-
Advance given	-	-	2,752.00	-	117.27	-
Other payables	-	-	-	127.65	-	-
Deposit for mark to market margin account	-	-	30.91	-	-	-
Corporate guarantees taken	-	-	-	-	-	-
Fixed deposits pledged (excluding interest accrued)			110.00	-	-	-

(All amounts are in Indian Rupees in millions unless stated otherwise)

Note -

During the year ended 31 March 2021, the Company has obtained borrowings from banks and financial institution, out of which ₹ 2,000.00 Millions (31 March 2020: ₹ 6,000.00 Millions, 31 March 2019: ₹ 14,390.00 Millions) is guaranteed by Dhani Services Limited (Holding Company) and guarantee released during the year amounts to ₹ 7,717.00 Millions (31 March 2020: ₹ 8,908.67 Millions, 31 March 2019: ₹ 22,500.00 Millions). The corporate guarantee outstanding as on 31 March 2021 is ₹ 13,056.00 Millions (31 March 2020: ₹ 18,773.00 Millions, 31 March 2019: ₹ 21,681.67 Millions).

Note - 48

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

Details of trade payable dues to micro and small enterprises as defined under the msmed act, 2006

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-
(iv) The amount of interest due and payable for the year	-	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-	-

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Details of other payable dues to micro and small enterprises as defined under the msmed act, 2006

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-
(iv) The amount of interest due and payable for the year	-	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-	-

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Note - 49

Reconciliation of liabilities arising from financing activities

The changes in the Company's liabilities arising from financing activities can be classified as follows:

Particulars	Debt securities	Borrowings (other than debt)	Lease liabilities	Total
01-Apr-18	**3,500.00**	**27,801.57**	**-**	**31,301.57**
Cash flows:				-
- Repayment	78,653.97	93,721.11	-	1,72,375.08
- Proceeds	(64,641.92)	(63,155.83)	-	(1,27,797.75)
Non cash:				-
- Amortisation of upfront fees and others	(163.43)	(84.31)	-	(247.74)
31-Mar-19	**17,348.62**	**58,282.54**	**-**	**75,631.16**
Adjustment on account of Ind AS 116	-	-	2,188.83	2,188.83
Cash flows:				-
- Proceeds	4,182.03	17,255.28	-	21,437.31
- Repayment	(13,750.01)	(36,040.47)	(490.98)	(50,281.46)
Non cash:				-
- Amortisation of upfront fees and others	187.08	64.68	-	251.76
- Addition during the year	-	-	388.59	388.59
- Addition/(reduction) in interest accrued	75.06	137.92	-	212.98
- Others	-	-	247.89	247.89
31-Mar-20	**8,042.78**	**39,699.95**	**2,334.33**	**50,077.06**
Cash flows:				-
- Proceeds	5,250.00	2,050.00	-	7,300.00
- Repayment	(5,714.50)	(17,896.08)	(363.57)	(23,974.15)
Non cash:				-
- Amortisation of upfront fees and others	116.17	96.54	-	212.71
- Addition during the year	-	-	850.31	850.31
- Addition/(reduction) in interest accrued	11.58	(71.07)	-	(59.49)
- Others	-	-	(1,482.08)	(1,482.08)
31-Mar-21	**7,706.03**	**23,879.34**	**1,338.99**	**32,924.36**

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(All amounts are in Indian Rupees in millions unless stated otherwise)

Note - 50
Transferred financial assets
A) Securitisation

In the course of its finance activity, the Company makes transfers of financial assets, where legal rights to the cash flows from the asset are passed to the counterparty and where the Company retains the rights to the cash flows but assumes a responsibility to transfer them to the counterparty.

The Company has securitized its loan assets to an unrelated and unconsolidated entities. As per the terms of the agreements, the Company is exposed to first loss default guarantee and cash collateral amounting in range of 14% to 18% of the amount securitised and therefore continues to be exposed to significant risk and rewards relating to the underlying receivables. Hence, these loan assets are not derecognised and proceeds received are presented as other financial liability.

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

Securitisations	**As at 31 March 2021**	**As at 31 March 2020**	**As at 31 March 2019**
Gross carrying amount of securitised assets	3,172.16	8,911.25	4,219.70
Gross carrying amount of associated liabilities	4,083.88	9,215.60	4,082.86
Carrying value and fair value of securitised assets	4,893.50	9,256.79	4,311.20
Carrying value and fair value of associated liabilities	4,083.88	9,215.60	4,082.85
Net position	**809.62**	**41.19**	**228.35**

B) Assignment

During the year ended March 31, 2020, the Company has sold certain loans by way of direct bilateral assignment, as a source of finance. As per the terms of such deals, since the derecognition criteria as per Ind AS 109 are met, (including transfer of substantial risks and rewards) relating to assets being transferred to the buyer, the assets have been derecognised from the books of the Company.

The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain/(loss) on derecognition.

Particulars	**As at 31 March 2021**	**As at 31 March 2020**	**As at 31 March 2019**
Carrying amount of de-recognised financial asset	3,671.10	58,883.79	6,064.81
Gain on sale of the de-recognised financial asset	254.97	6,166.90	315.80

Since the Company has derecognized the above loan assets in entirety, the whole of the interest spread at the present value (discounted over the expected life of the assets) is recognised on the date of derecognition itself as interest-only strip receivable and corresponding profit on derecognition of financial assets is recognized in the Statement of Profit and Loss.

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(All amounts are in Indian Rupees in millions unless stated otherwise)

Note - 51

Fair value hedges

A Risk management strategy

The use of derivatives can give rise to price risk. The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The price risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes. The Company uses derivative instruments as part of its management of exposure to fluctuations in market price of equity investments. The derivative transactions are normally in the form of futures and these are subject to the Company guidelines and policies.

B Hedge relationship

The Company had done investment in shares of Reliance Industries Limited. The Company enters into selling of future of Reliance Industries Limited to hedge its price risk. Gains and losses on these hedge transactions are substantially offset by the amount of gains or losses on the underlying assets. Net gains and losses are recognised in the statement of profit and loss.

Hedge ratio is the relationship between the quantity of the hedging instrument and the quantity of the hedged item. In the case, total principal payments under the transaction is hedged with futures of the equivalent amount and at the same dates. Hence the entity hedge 100% of its exposure on the transaction and is considered highly effective. The Company has entered into nifty future contracts which provide an economic hedge to a risk component of a transaction.

C Other hedge related disclosures

The fair value of the Company's derivative positions recorded under derivative financial liabilities are as follows:

31-Mar-21

Type of hedge and risk	Change in fair value of hedging instrument	Maturity date	Change in value of hedged item used as a basis of recognising hedge effectiveness	Hedge ratio
-	-	-	-	-

Particulars	Carrying amount of derivative liabilities	Carrying amount of investments	Amount charged to statement of profit and loss
	-	-	-

31-Mar-20

Type of hedge and risk	Change in fair value of hedging instrument	Maturity date	Change in value of hedged item used as a basis of recognising hedge effectiveness	Hedge ratio
	-	-	-	-

Particulars	Carrying amount of derivative liabilities	Carrying amount of investments	Amount charged to statement of profit and loss
	-	-	-

31-Mar-19

Type of hedge and risk	Change in fair value of hedging instrument	Maturity date	Change in value of hedged item used as a basis of recognising hedge effectiveness	Hedge ratio
Equity Futures (loss)/gain	(263.39)	27th September 2018	283.01	01:01

Particulars	Carrying amount of derivative liabilities	Carrying amount of investments	Amount charged to statement of profit and loss
Investments	-	-	**19.62**

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DHANI LOANS AND SERVICES LIMITED
(Formerly known as Indiabulls Consumer Finance Limited)
ANNEXURE V - Summary of significant accounting policies and other explanatory information to Reformatted Standalone Financial Information
(All amounts are in Indian Rupees in millions unless stated otherwise)

Note - 52

Disclosures pursuant to paragraph 19 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 as at and for the year ended 31 March 2021:

Particulars	**As at 31 March 2021**		**As at 31 March 2020**		**As at 31 March 2019**	
Liabilities Side:	**Amount Outstanding**	**Amount Overdue**	**Amount Outstanding**	**Amount Overdue**	**Amount Outstanding**	**Amount Overdue**
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:						
(a) Debentures : Secured	7,706.03	-	8,042.78	-	7,889.62	-
: Unsecured	-	-	-	-		-
(other than falling within the meaning of public deposits)						
(b) Deferred credits	-	-	-	-		-
(c) Term loans	19,745.46	-	30,233.58	-	50,049.55	-
(d) Inter-corporate loans and borrowing	-	-	-	-	2,752.00	-
(e) Commercial paper	-	-	-	-	9,500.00	-
(f) Public Deposits	-	-	-	-	-	-
(g) Other loans					-	-
– Loan repayable on demand	50.00	-	250.77	-	1,472.97	-
– Securitisation liabilities	4,083.88		9,215.60		-	-
– Vehicle loan	-	-	-	-	4.73	-
(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :						
(a) In the form of Unsecured debentures	-	-	-	-	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-	-	-
(c) Other public deposits	-	-	-	-	-	-

Assets side:	**Amount outstanding as at 31 March 2021**	**Amount outstanding as at 31 March 2020**	**Amount outstanding as at 31 March 2019**
(3) Break-up of loans and advances including bills receivables [other than those included in (4) below]:			
(a) Secured	7,195.83	11,932.40	49,608.34
(b) Unsecured	34,407.94	35,160.07	56,721.72
Less: impairment loss allowance	(4,392.04)	(5,297.02)	(1,248.73)
Total	**37,211.73**	**41,795.45**	**1,05,081.33**
(4) Break up of leased assets and stock on hire and other assets counting towards asset financing activities			
(i) Lease assets including lease rentals under sundry debtors			
(a) Financial lease	-	-	-
(b) Operating lease	-	-	-
(ii) Stock on hire including hire charges under sundry debtors			
(a) Assets on hire	-	-	-
(b) Repossessed assets	-	-	-
(iii) Other loans counting towards asset financing activities			
(a) Loans where assets have been repossessed	-	-	-
(b) Loans other than (a) above	-	-	-
(5) Break-up of Investments :			
Cuurent Investments			
1. Quoted:			
(i) Shares: (a) Equity	-	-	-
(b) Preference	-	-	-
(ii) Debentures and bonds	-	5,059.90	261.75
(iii) Units of mutual funds	-	-	-
(iv) Government securities	-	-	-
(v) Others	-	-	-
2. Unquoted:			
(i) Shares: (a) Equity	-	-	-
(b) Preference	-	-	-
(ii) Debentures and bonds	-	-	-
(iii) Units of mutual funds	13,748.28	786.95	5,504.59
(iv) Government securities	-	-	-
(v) Investment in associate	-	-	-

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DHANI LOANS AND SERVICES LIMITED
(Formerly known as Indiabulls Consumer Finance Limited)
ANNEXURE V - Summary of significant accounting policies and other explanatory information to Reformatted Standalone Financial Information
(All amounts are in Indian Rupees in millions unless stated otherwise)

Assets side:		Amount outstanding as at 31 March 2021	Amount outstanding as at 31 March 2020	Amount outstanding as at 31 March 2019
Long Term Investments				
1. Quoted:				
(i) Shares:	(a) Equity	-	-	-
	(b) Preference	-	-	-
(ii) Debentures and bonds		-	-	-
(iii) Units of mutual funds		-	-	-
(iv) Government securities		-	-	-
(v) Others		-	-	-
2. Unquoted:				
(i) Shares:	(a) Equity	-	-	-
	(b) Preference	-	-	-
(ii) Debentures and bonds		999.98	5,000.01	-
(iii) Units of mutual funds		-	-	-
(iv) Government securities		-	-	-
(v) Others			-	-
(a) Equity investment in subsidiries		9,312.95	8,552.30	-
(b) Investment in security receipts		32.83	-	-
(b) Investment in associate		-	-	357.04

(6) Borrower group-wise classification of all assets financed as in (3) and (4) above:

Category	Amount (including impairment of loss allowance)					
	As at 31 March 2021		As at 31 March 2020		As at 31 March 2019	
	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
1. Related parties						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties*	7,195.83	34,407.94	11,932.40	35,160.07	49,608.34	56,721.72
Total	**7,195.83**	**34,407.94**	**11,932.40**	**35,160.07**	**49,608.34**	**56,721.72**

*Includes provision against loan assets of ₹ 43,92.03 Millions (31 March 2020 ₹ 52,97.01 Millions, 31 March 2019, ₹ 1,248.73 Millions)

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Category	As at 31 March 2021		As at 31 March 2020		As at 31 March 2019	
	Market Value	Book Value (net of allowance for impairment loss)	Market Value	Book Value (net of allowance for impairment loss)	Market Value	Book Value (net of allowance for impairment loss)
1. Related parties						
(a) Subsidiaries	10,345.76	10,345.76	13,552.31	13,552.31	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	357.04	357.04
2. Other than related parties	13,748.28	13,748.28	5,846.85	5,846.85	5,766.34	5,766.34
Total	**24,094.04**	**24,094.04**	**19,399.16**	**19,399.16**	**6,123.38**	**6,123.38**

(8) Other information:

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
(I) Gross non-performing assets			
(a) Related parties	-	-	-
(b) Other than related parties	4,270.14	909.49	841.29
(II) Net non-performing assets			-
(a) Related parties	-	-	-
(b) Other than related parties	958.83	345.98	263.14

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(All amounts are in Indian Rupees in millions unless stated otherwise)

Note - 53
Disclosure pursuant to Reserve Bank of India notification DOR (NBFC).CC.PD.no 109/22.10.106/2019-20 dated 13 March 2020 pertaining to Asset Classification as per RBI norms and Income Recognition, Asset Classification and Provisioning ("IRACP") norms.

As at 31 March 2021

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard Assets	Stage 1	29,554.16	212.01	29,342.15	117.62	94.39
	Stage 2	7,779.47	868.72	6,910.75	30.91	837.81
Sub- Total		**37,333.63**	**1,080.73**	**36,252.90**	**148.53**	**932.20**
Non-Performing Assets (NPA)						
Substandard	Stage 3	3,811.30	2,859.40	951.90	381.13	2,478.27
Doubtful - up to 1 year	Stage 3	458.84	451.91	6.93	451.64	0.27
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Sub- Total For Doubtful		**458.84**	**451.91**	**6.93**	**451.64**	**0.27**
Loss	Stage 3	-	-	-	-	-
Sub- Total For NPA		**4,270.14**	**3,311.31**	**958.83**	**832.77**	**2,478.54**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Sub- Total		-	-	-	-	-
Total	**Stage 1**	**29,554.16**	**212.01**	**29,342.15**	**117.62**	**94.39**
	Stage 2	**7,779.47**	**868.72**	**6,910.75**	**30.91**	**837.81**
	Stage 3	**4,270.14**	**3,311.31**	**958.83**	**832.77**	**2,478.54**
	Total	**41,603.77**	**4,392.04**	**37,211.73**	**981.30**	**3,410.74**

As at 31 March 2020

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109*	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard Assets	Stage 1	43,962.83	4,099.11	39,863.72	175.85	3,923.26
	Stage 2	2,220.15	634.39	1,585.76	8.88	625.51
Sub- Total		**46,182.98**	**4,733.50**	**41,449.48**	**184.73**	**4,548.77**
Non-Performing Assets (NPA)						
Substandard	Stage 3	903.04	558.68	344.36	90.30	468.38
Doubtful - up to 1 year	Stage 3	6.45	4.84	1.61	6.45	(1.61)
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Sub- Total For Doubtful		**6.45**	**4.84**	**1.61**	**6.45**	**(1.61)**
Loss	Stage 3	-	-	-	-	-
Sub- Total For NPA		**909.49**	**563.52**	**345.97**	**96.75**	**466.77**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Sub- Total		-	-	-	-	-
Total	**Stage 1**	**43,962.83**	**4,099.11**	**39,863.72**	**175.85**	**3,923.26**
	Stage 2	**2,220.15**	**634.39**	**1,585.76**	**8.88**	**625.51**
	Stage 3	**909.49**	**563.52**	**345.97**	**96.75**	**466.77**
	Total	**47,092.47**	**5,297.02**	**41,795.45**	**281.48**	**5,015.54**

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(All amounts are in Indian Rupees in millions unless stated otherwise)

Note - 54
Additional disclosures as per Circecular Number: RBI/DNBR/2016-17/45 Master Direction DNBR.PD.008/03.10.119/2016-17, dated 1 September 2016 updated as on 17 February 2020 issued by RBI as under:

i. Disclosure for capital to risk assets ratio (CRAR):-

Items	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
(i) CRAR (%)	58.24%	58.92%	37.70%
(ii) CRAR - Tier I Capital (%)	58.24%	52.66%	37.12%
(iii) CRAR - Tier II Capital (%)	0.00%	6.27%	0.58%

ii. Investments

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
A. Value of investments			
(I). Gross value of investments			
a) In India	24,271.31	19,399.16	6,123.38
b) Outside India	-	-	-
(II) Provision for depreciation			
a) In India	177.27	-	-
b) Outside India	-	-	-
(III) Net value of investments			
a) In India	24,094.04	19,399.16	6,123.38
b) Outside India	-	-	-
B. Movement of provisions held towards depreciation on investments.			
Opening balance	-	-	-
Add : Provisions made during the year	203.01	-	-
Less : Write-off of excess provisions during the year	25.74	-	-
Closing balance	177.27	-	-

iii. Disclosures relating to derivatives:

The Company has no investment in forward rate agreement / interest rate swaps / exchange traded interest rate (IR) derivatives during the year. (31 March 2020: ₹ Nil, 31 March 2019: ₹. N

iv. Disclosures relating to securitisation:
a. Outstanding amount of securitised assets as per books of the SPVs sponsored by the NBFC and total amount of exposure retained by the NBFC as on the date of balance sheet towards the Minimum Retention Requirements (MRR)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
1. No of SPVs sponsored by the NBFC for securitisation transactions	7	7	3
2. Total amount of securitised assets as per books of SPVs sponsored	4,083.88	9,215.60	4,082.85
3. Total amount of exposures retained by the NBFC towards the MRR as on the date of balance sheet		-	-
i) Off-balance sheet exposures			
- First loss	-	-	-
- Others	-	-	-
ii) On-balance sheet exposures towards credit concentration			
- First loss	2,335.02	2,336.02	621.24
- Others	-	-	-
4. Amount of exposures to securitisation transactions other than MRR			
i) Off-balance sheet exposures			
- First loss	-	-	-
- Others	-	-	-
ii) On-balance sheet exposures			
- First loss	-	-	-
- Others	-	-	-

b. Details of Financial assets sold to Securitisation/Reconstruction Company for Asset Reconstruction

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
i) No. of accounts	6,99,785	-	-
ii) Aggregate value (net of provisions) of accounts sold to SC/RC	234.94	-	-
iii) Aggregate consideration	1,250.00	-	-
iv) Additional consideration realised in respect of accounts transferred in earlier years	-	-	-
v) Aggregate gain/loss over net book value	1,015.06	-	-

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(All amounts are in Indian Rupees in millions unless stated otherwise)

c. Details of Assignment transactions undertaken by NBFCs

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
i). No. of accounts (nos)	98,656	19,74,676	345
ii) Aggregate value (net of provisions) of accounts assigned	3,671.10	58,883.79	6,064.81
iii) Aggregate consideration	3,671.10	58,883.79	6,064.81
iv) Additional consideration realised in respect of accounts transferred in earlier years	-	-	-
v) Aggregate gain/loss over net book value	-	-	-

d. Details of non-performing financial assets purchased:

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
i) No. of accounts purchased during the year	-	-	-
ii) Aggregate outstanding	-	-	-
iii) Of these, number of accounts restructured during the year	-	-	-
iv) Aggregate outstanding	-	-	-

e. Details of non-performing financial assets sold:

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
i). No. of accounts sold	6,99,785	-	-
ii) Aggregate outstanding	673.75	-	-
iii) Aggregate consideration received	1,250.00	-	-

(v) Exposure to real estate sector:-

Category	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Direct exposure			
(i) Residential mortgages:			
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	3,400.69	5,970.24	-
(ii) Commercial real estate*:			
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	1,001.95	1,459.33	48,529.45
(iii) Investments in mortgage backed securities (MBS) and other securitised exposures:			
a. Residential	-	-	
b. Commercial real estate	-	-	

* as per contractual receivables at balance sheet date.

(vi) Exposure to capital markets*

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
i. direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-	3,124.79
ii. advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-	-
iii. advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	116.19	175.19
iv. advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-	-
v. secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-	-
vi. loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-	-
vii. bridge loans to companies against expected equity flows / issues;	-	-	-
viii. all exposures to venture capital funds (both registered and unregistered)	-	-	-
Total exposure to capital market	**-**	**116.19**	**3,299.98**

* as per contractual receivables at balance sheet date.

vii. Maturity pattern of assets and liabilities as at 31 March 2021:

In accordance with the Reserve Bank of India ("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.

Particulars	1 day to 7 days	8 day to 14 days	15 day to 30/31 days (One month)	Over one month and upto 2 months	Over two months and upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years
Liabilities										
Borrowings*	50.00	-	-	6,572.78	351.40	7,491.71	1,667.27	9,893.56	1,321.29	-
Assets										
Advances**	325.00	325.00	650.00	1,290.00	1,280.00	3,780.00	7,750.00	18,500.00	3,000.00	4,703.77
Investments	-	-	2,032.83	5,000.00	1,500.00	6,248.26	-	-	-	9,312.95

(All amounts are in Indian Rupees in millions unless stated otherwise)

Maturity pattern of assets and liabilities as at 31 March 2020:

Particulars	1 day to 7 days	8 day to 14 days	15 day to 30/31 days (One month)	Over one month and upto 2 months	Over two months and upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years
Liabilities										
Borrowings	553.16	-	-	553.16	1,708.70	6,821.04	3,519.90	22,152.26	3,005.93	-
Assets										
Advances	433.22	433.22	912.34	1,666.12	1,674.58	5,654.28	9,029.24	20,669.96	4,459.86	2,159.65
Investments	5,846.84	-	-	-	-	-	-	5,000.01	-	8,552.30

Maturity pattern of assets and liabilities as at 31 March 2019:

Particulars	1 day to 7 days	8 day to 14 days	15 day to 30/31 days (One	Over one month to 2 months	Over 2 months to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years
Liabilities										
Borrowings from banks	-	-	1,493.98	7,553.39	3,768.29	16,377.29	5,872.79	22,244.56	14,165.20	72.80
Assets	-	-	-	-	-	-	-	-	-	-
Advances	928.02	928.02	1,849.60	3,901.10	3,965.09	11,977.81	22,290.07	50,596.41	9,181.03	712.92
Investments	2641.54	-	-	3,124.79	-	-	-	-	-	357.04

Note:
(a) The above borrowings exclude accrued interest.
(b) The advances comprises of gross loan portfolio , accrued interest and other Ind AS adjustments.
(c) Advances and borrowings are adjusted for moratorium granted pursuant to RBI guidelines relating to COVID-19 Regulatory Package dated 27 March 2020, 07 April 2020 and 23 May 20

viii. Registration under other regulators
- The Company is not registered under any other regulator other than Reserve Bank of India.

ix. Penalties imposed by RBI and other Regulators
- No penalties have been imposed by RBI during the financial year 2020-21 (FY 2019-20: ₹ Nil, FY 2018-19: ₹ NIL).

x. Disclosure on frauds pursuant to RBI Master direction
- The frauds detected and reported for the year amounted to ₹ 77.15 lakh (FY 2019-20: ₹ 116.24 lakh, FY 2018-19: NIL).

xi. Details of financing of parent company products
- There is no financing during the current year.

xii. Details of Single Borrower Limits (SBL) / Group Borrower Limits (GBL) exceeded
- The Company has not exceeded the single borrower limit as set as Reserve Bank of India.

xiii. Draw down from reserves
- The Company has made no drawdown from reserves.

xiv. Provision and contingencies

Break up of 'Provisions and Contingencies shown under the head expenditure in statement of profit and loss	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Provision for depreciation on investment	177.26	-	-
Provision towards non-performing assets	2,747.79	(14.64)	561.45
Provision made towards income tax [net of advance tax]	-	-	-
Other provision and contingencies (with details)			-
i) Provision for compensated absences	(15.75)	59.27	15.72
ii) Provision for gratuity	60.63	67.04	24.73
Provision for other assets	(28.01)	191.57	-
Provision for Standard assets	(3,079.61)	4,062.92	53.71

xv. Concentration of advances, exposures & NPA's *
a. Concentration of advances

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Total advances to twenty largest borrowers*	13,513.86	7,624.10	5,631.87
Percentage of advances to twenty largest borrowers to total advances of the NBFC	32.48%	16.19%	5.30%
* as per contractual receivables at balance sheet date.			

b. Concentration of exposures

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Total exposures to twenty largest borrowers*	13,513.86	7,624.10	5,631.87
Percentage of exposures to twenty largest borrowers to total exposure of the NBFC on borrowers	32.48%	16.19%	5.30%
* as per contractual receivables as per balance sheet date.			

(All amounts are in Indian Rupees in millions unless stated otherwise)

c. Concentration of NPA's

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Total exposure to top four NPA accounts*	197.32	124.11	111.75
* as per contractual receivables as per balance sheet date.			

d. Sector-wise distribution of NPA's*

Particulars	% of NPA's tototal advances		
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Agriculture & allied activities	0.00%	0.00%	0.00%
MSME	0.05%	0.22%	0.00%
Corporate borrowers	0.20%	0.19%	0.06%
Services	0.01%	0.01%	0.05%
Unsecured personal loans	1.50%	0.24%	0.14%
Auto loans	0.00%	0.00%	0.00%
Other personal loans	0.54%	0.08%	0.00%
* as per contractual receivables as per balance sheet date.			

xvi. Movement of NPAs

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
a. Net NPAs to Net Advances (%)	2.50%	0.74%	0.25%
b. Movement of NPAs (Gross)			
i) Opening balance	909.50	841.30	20.80
ii) Addition during the year (net)	5,202.19	3,688.74	970.90
iii) Write off during the year	(1,841.54)	(3,620.54)	(150.40)
iv) Closing balance	**4,270.15**	**909.50**	**841.30**
c. Movement of Net NPAs			
i) Opening balance	345.98	263.14	4.09
ii) Addition during the year (net)	961.24	1,064.21	376.22
iii) Write off during the year	(348.38)	(981.37)	(117.17)
iv) Closing balance	**958.83**	**345.98**	**263.14**
d. Movement of provisions for NPA (excluding provisions on standard assets)			
i) Opening balance	563.52	578.15	16.71
ii) Provision made during the year	4,240.96	2,624.53	594.68
iii) Write off of excess provisions	(1,493.16)	(2,639.17)	(33.23)
iv) Closing balance	**3,311.32**	**563.52**	**578.16**

xvii. Overseas assets
There are no overseas asset owned by the Company.

xviii. Off-balance Sheet SPVs sponsored
There are no SPVs which are required to be consolidated as per accounting norms.

xix. The Company has been assigned the following credit ratings:

Instruments	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Non- convertible debentures - Public issue	CARE A+ ; Stable	CARE AA- ; Stable	CARE AA; Stable [Double A; Outlook: Stable]
	BWR AA/Stable	BWR AA (Stable)	BWR AA+ (Stable)
	IVR AA/ Stable	-	-
Non- convertible debentures - Privately issue	CARE A+ ; Stable	CARE AA- ; Stable	CARE AA; Stable [Double A; Outlook: Stable]
	BWR AA/Stable	-	-
Commercial papers	CARE A1+	CARE A1+ (A One plus)	CARE A1+ (A One plus)
	BWR A1+	BWR A1+	BWR A1+
	-	-	CRISIL A1+ ICRA A1+
Bank borrowings	CARE A+; Stable / CARE A1+	CARE AA- ; Stable / CARE A1+	CARE AA; Stable/Care A1+ [Double A; Outlook: Stable/A One Plus]
	BWR AA/Stable	BWR AA (Stable)	BWR AA+ /(Stable)
	IVR AA/ Stable	-	-

xx. Customer complaints

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
No. of complaints pending at the beginning of the year	19	3	1
No. of complaints received during the year	5439	1019	211
No. of complaints redressed during the year	5193	1003	209
No. of complaints pending at the end of the year	265	19	3

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(All amounts are in Indian Rupees in millions unless stated otherwise)

Note - 55

Consequent to the outbreak of the COVID-19 pandemic, the Indian Government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the Government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases. The impact of COVID-19, including changes in customer behavior and pandemic fears, as well as restriction of business and individual activities led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. This may lead to a rise in the number of borrower defaults and consequently an increase in corresponding provisions. The extent to which COVID-19 pandemic, including the current "second wave" that has significantly increased the number of cases in India, will continue to impact the Company's performance and will depend on ongoing as well as future developments which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by us.

The Company has recognized provisions as on 31 March 2021 towards its loan assets, based on the information available at this point of time, in accordance with the expected credit loss method. The Company believes that it has considered all the possible impact of the known events arising out of COVID-19 pandemic in the preparation of standalone financial statements. However, the impact assessment of COVID-19 is a continuing process given its nature and duration. The Company will continue to monitor any material changes to future economic condition.

COVID 19 Regulatory Package -

(i) Asset classification and provisioning pursuant to the notification Vide:DOR.No.BP.BC.63/21.04.048/2019-20 dated 17 April 2020:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
(i) Respective amounts in SMA/overdue	2,295.77	894.25	-
(ii) Respective amount where asset classification benefits is extended	2,284.51	894.25	-
(iii) Provisions made during the quarter ended 31 March 2020 in terms of paragraph 5 of the above circular	229.58	89.43	-
(iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6	-	-	-

During the year, to relieve COVID-19 pandemic related stress, the Company has invoked resolution plans for eligible borrowers based on the parameters laid down in accordance with the one-time restructuring policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI on 6 August 2020

(ii) Disclosures for the year ended 31 March 2021 pursuant to RBI Notification RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 06 August 2020.

Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal Loans	2,85,588	3,148.49	-	-	216.15
Corporate persons*	-	-	-	-	-
Of which,	-	-	-	-	-
Others	-	-	-	-	-
Total	**2,85,588**	**3,148.49**	**-**	**-**	**216.15**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

(iii) Disclosures for the year ended 31 March 2021 pursuant to RBI Notification RBI/2020-21/17 DOR.No.BP.BC/3/21.04.048/2020-21 dated 06 August 2020 (for restructuring of accounts of Micro, Small and Medium Enterprises (MSME) sector – Restructuring of advances having exposure less than or equal to ₹ 25 crores).

Type of borrower	Number of accounts restructured	(Amount in ₹ Million)
MSMEs	97	35.89
Total	**97**	**35.89**

(iv) Additional disclosures pursuant to para 25 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking company and Deposit taking company (Reserve Bank) Directions, 2016:

Type of Restructuring		As on 31 March 2021					As on 31 March 2020			
Asset Classification		Others					Others			
Details		Standard	Sub	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss
Restructured Accounts at the beginning of the year	No. of borrowers	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-
Fresh Restructuring during the year	No. of borrowers	2,85,685	-	-	-	-	-	-	-	-
	Amount outstanding	3,184.38	-	-	-	-	-	-	-	-
	Provision thereon	216.15	-	-	-	-	-	-	-	-
Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-
Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-
Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-
Write-offs of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-
Restructured accounts at the end of the year	No. of borrowers	2,79,994	-	-	-	-	-	-	-	-
	Amount outstanding	2,937.03	-	-	-	-	-	-	-	-
	Provision thereon	216.15	-	-	-	-	-	-	-	-

(All amounts are in Indian Rupees in millions unless stated otherwise)

(iv) The Government of India, Ministry of Finance, vide its notification dated 23 October 2020, had announced COVID-19 Relief Scheme ("the Scheme") for grant of exgratia payment being difference between compounded interest and simple interest for six months period from 1 March 2020 to 31 August 2020 to eligible borrowers as per the Scheme. The management has credited the differential interest in the borrower accounts in line with the requirement of the Scheme and does not have any impact on the standalone financial statements. The Company have received the entire amount from Government of India on 31 March 2021.

(v) In view of the Hon'ble Supreme Court of India interim order dated September 3, 2020 (Public Interest Litigation (PIL) by Gajendra Sharma Vs Union of India & ANR), no additional borrower accounts were classified as impaired (non-performing assets (NPA)), which were not declared non-performing till August 31, 2020. Basis the said interim order the Company had not classified any additional borrower account as NPA as per RBI or other regulatory prescribed norms, after August 31, 2020 which were not NPA as of August 31, 2020. The interim order granted to not declare accounts as NPA stood vacated on March 23, 2021. In accordance with the instructions in paragraph 5 of the RBI circular dated April 07, 2021 issued in this connection, the Company has complied with the asset classification of borrower accounts as per the extant RBI instructions / IRAC norms, without considering any standstill in asset classification and also done staging of the borrower accounts in accordance with the ECL model/framework under IndAS in the standalone financial statements for the year ended 31

(vi) In accordance with the instructions vide RBI circular dated April 07 2021, and the Indian Banks' Association ('IBA') advisory letter dated 19 April 2021, the Company has put in place a Board approved policy to refund / adjust the 'interest on interest' charged to borrowers during the moratorium period i.e., 1 March 2020 to 31 August 2020.

Note - 56

Additional disclosures in terms of Appendix I of Liquidity Risk Management Framework RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated 04 November 2019:
i. Funding Concentration based on significant counterparty for the year ended 31 March 2021

Sr. no.	Number of Significant Counterparties	Amount (₹ in Million)	% of Total Deposits	% of Total Liabilities
1	10	23,311.13	N.A	61.66%

Funding Concentration based on significant counterparty for the year ended 31 March 2020

Sr. no.	Number of Significant Counterparties	Amount (₹ in Million)	% of Total Deposits	% of Total Liabilities
1	12	39,101.30	N.A	73.69%

Notes:
- A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs

ii. Top 20 large deposits
- There is no deposit outstanding as at 31 March 2021 (FY 2019-20: ₹ Nil, FY 2018-19 : NIL)

iii. Top 10 borrowings

As at 31 March 2021	Amount (₹ in Million)	% of Total Borrowings
Top 10 Borrowings	23,311.13	97.89%

As at 31 March 2020	Amount (₹ in Million)	% of Total Borrowings
Top 10 Borrowings	37,778.95	95.49%

iv. Funding Concentration based on significant instrument/product for the year ended 31 March 2021

Sr. no.	Particulars	Amount (₹ in Million)	% of Total Liabilities
1	Non- convertible debentures	7,706.03	20.38%

Funding Concentration based on significant instrument/product for the year ended 31 March 2020

Sr. no.	Particulars	Amount (₹ in Million)	% of Total Liabilities
1	Non- convertible debentures	8,042.78	15.02%

Notes:
- A "significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs

v. Stock Ratios:
a. Commercial papers
- There is no commercial papers outstanding as at 31 March 2021 (FY 2019-20: ₹ Nil, FY 2018-19: ₹ NIL).

b. Non-convertible debentures (original maturity of less than one year)
- There is no Non-convertible debentures with original maturity of less than one year outstanding as at 31 March 2021 (FY 2019-20: ₹ Nil, FY 2018-19: ₹ NIL).

c. Other short-term liabilities

Particulars	% of Total Public Funds	% of Total Liabilities	% of Total Assets
As at 31 March 2021			
Loans repayable on demand from banks	0.65%	0.13%	0.06%

Particulars	% of Total Public Funds	% of Total Liabilities	% of Total Assets
As at 31 March 2020			
Loans repayable on demand from banks	3.15%	0.47%	0.26%

vi. Institutional set-up for liquidity risk management
The Board of Directors of the Company has an overall responsibility and oversight for the management of all the risks, including liquidity risk, to which the Company is exposed to in the course of conducting its business. The Board approves the governance structure, policies, strategy and the risk limits for the management of liquidity risk. The Board of Directors approves the constitution of the Risk Management Committee (RMC) for the effective supervision, evaluation, monitoring and review of various aspects and types of risks, including liquidity risk, faced by the Company. The meetings of RMC are held as warranted from time to time. Further, the Board of Directors also approves constitution of Asset Liability Committee (ALCO), which functions as the strategic decision-making body for the asset-liability management of the Company from risk-return perspective and within the risk appetite and guard-rails approved by the Board. The main objective of ALCO is to assist the Board and RMC in effective discharge of the responsibilities of asset liability management, market risk management, liquidity and interest rate risk management and also to ensure adherence to risk tolerance/limits set up by the Board. ALCO provides guidance and directions in terms of interest rate, liquidity, funding sources, and investment of surplus funds. ALCO meetings are held as warranted from time to time.

(All amounts are in Indian Rupees in millions unless stated otherwise)

Note - 57

Disclosures of liquidity coverage ratio (LCR) in terms of Annex III of the RBI Directions, 2016

Particulars	Q4FY21		Q3FY21		Q2FY21		Q1FY21	
	Total unweighted Value	Total weighted value	Total unweighted Value	Total weighted value	Total unweighted Value	Total weighted value	Total unweighted Value	Total weighted value
Cash and Bank Balance	1,936.90	1,936.90	1,951.62	1,951.62	1,829.60	1,829.60	1,536.99	1,536.99
High Quality Liquid Assets (HQLA)	**1,936.90**	**1,936.90**	**1,951.62**	**1,951.62**	**1,829.60**	**1,829.60**	**1,536.99**	**1,536.99**
Cash outflows								
Deposits	-	-	-	-	-	-	-	-
Unsecured wholesale funding	-	-	-	-	-	-	-	-
Secured wholesale funding	1,316.13	91,513.55	2,573.61	2,959.65	2,874.04	3,305.14	1,380.71	1,587.82
Additional requirements	-	-	-	-	-	-	-	-
- Outflows related to derivative exposure and other collateral requiremen	-	-	-	-	-	-	-	-
- Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
- Credit and liquidity facilities	-	-	-	-	-	-	-	-
Other contractual funding obligations	219.95	252.94	123.65	142.19	148.95	171.29	561.30	645.49
Other contingent funding obligations	-	-	-	-	-	-	-	-
Total cash outflows	**1,536.08**	**91,766.49**	**2,697.26**	**3,101.84**	**3,022.99**	**3,476.43**	**1,942.01**	**2,233.31**
Cash inflows								
Secured lending	-	-	-	-	-	-	-	-
Inflows from fully performing advances	1,237.06	927.80	1,138.60	853.95	1,479.50	1,109.63	1,679.68	1,259.76
Other cash inflows	11,717.83	8,788.37	11,754.73	8,816.05	8,802.33	6,601.75	13,199.78	9,899.84
Total cash Inflows	**12,954.89**	**9,716.17**	**12,893.33**	**9,670.00**	**10,281.83**	**7,711.38**	**14,879.46**	**11,159.60**
Total HQLA		1,936.90		1,951.62		1,829.60		1,536.99
Total net cash outflows over next 30 days (Weighted value of total cash outflow- Minimum of weighted value of total cash inflows, 75% of weighted value of total cash outflow)		82,050.32		775.46		869.11		558.33
Liquidity coverage ratio (%)		**2.36%**		**251.67%**		**210.51%**		**275.28%**

Notes:
1. Unweighted Values: Inflows and Outflows within 1 month are considered as per outstanding balances that mature in 1 month
2. Weighted values are calculated as per the applicable haircuts or stress factors
3. Below is level of minimum LCR in terms of Annex III of the RBI Directions, 2016

From	**December 1, 2020**	**December 1, 2021**	**December 1, 2022**	**December 1, 2023**	**December 1, 2024**
Minimum LCR	30%	50%	60%	85%	100%

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(All amounts are in Indian Rupees in millions unless stated otherwise)

Note - 58
Employee stock option schemes:

The employees of the Company have been granted option as per the existing schemes of Dhani Services Limited ('Holding Company') Formerly known as Indiabulls Ventures Limited). On exercise, the employees will be allotted shares of the Holding Company.

A. Grants during the year:

The Holding Company has established the "Udaan Employee Welfare Trust" ("Udaan – EWT") (earlier known as Indiabulls Ventures Limited - Employees Welfare Trust" ("Trust") for the implementation and management of its employees benefit scheme viz. the "Dhani Services Limited - Employee Stock Benefit Scheme – 2019" (Scheme), for the benefit of the employees of its company and subsidiaries. Pursuant to Regulation 3(12) of the SEBI (Share Based Employee Benefits) Regulations, 2014, fully paid up equity shares of 10,400,000 lying in Trust have been appropriated towards the Scheme for grant of Share Appreciations Rights (SARs) to the employees of the holding company and its subsidiaries as permitted by SEBI. The holding company will treat these SARs as equity and therefore they will be treated as equity settled SARs and accounting has been done accordingly.

B. Employees Stock Options Schemes:

(i) Employees Stock Option Scheme - 2008 (DSL ESOP - 2008)

	DSL ESOP - 2008			
Total options under the scheme (Nos.)	2,00,00,000			
Options granted (Nos.)	**2,00,00,000**	**97,00,000 (Regrant)**	**5,00,000 (Regrant)**	**8,80,600 (Regrant)**
Vesting period and percentage	Ten years, 1st Year - 15% 2nd year to 9th year - 10% each year 10th year - 5%	Five years, 20% each year	Five years, 20% each year	Five years, 20% each year
Vesting date	25th January each year, commencing 25 January 2010	2nd July each year, commencing 2 July 2017	2nd September each year, commencing 2 September 2018	25th March each year, commencing 25 March 2019
Exercisable period	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date
Exercise price (₹)	17.40	24.15	219.65	254.85
Outstanding as at 1 April 2018 (Nos.)	**12,77,866**	**97,00,000**	**5,00,000**	**8,80,600**
Options vested during the year (Nos.)*	-	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	4,06,950	-	-	1,87,000
Outstanding at the beginning of 31 March 2019 (Nos.)	8,70,916	97,00,000	5,00,000	6,93,600
Granted/ regranted during the year (Nos.)	-	-	-	-
Forfeited during the year (Nos.)	-	10,000	5,00,000	1,52,000
Exercised during the year (Nos.)	8,70,916	50,50,800	-	25,800
Expired during the year (Nos.)	-	-	-	-
Outstanding as at 31 March 2020 (Nos.)	**-**	**46,39,200**	**-**	**5,15,800**
Vested and exercisable as at 31 March 2020 (Nos.)	-	7,69,200	-	1,92,640
Remaining contractual life (weighted months)	-	66	-	73
Outstanding at the beginning of 1 April 2020 (Nos.)	-	46,39,200	-	5,15,800
Granted/ regranted during the year (Nos.)	-	-	-	-
Forfeited during the year (Nos.)		14,400		4,29,000
Exercised during the year (Nos.)	-	-	-	-
Expired during the year (Nos.)	-	-	-	-
Outstanding as at 31 March 2021 (Nos.)	**-**	**46,39,200**	**-**	**5,15,800**
Vested and exercisable as at 31 March 2021 (Nos.)	-	26,97,000	-	-
Remaining contractual life (weighted months)	-	54	-	73

Weighted average exercise price of share during the year ended 31 March 2021: Not applicable (31 March 2020: ₹ 198.22, 31 March 2019: Not applicable).

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(All amounts are in Indian Rupees in millions unless stated otherwise)

Note - 58
Employee Stock Option Schemes *(continued)*

(ii) Employees Stock Option Scheme - 2009 (DSL - ESOP 2009)

	DSL ESOP - 2009	DSL ESOP - 2009	DSL ESOP - 2009	DSL ESOP - 2009
Total options under the Scheme (Nos.)	2,00,00,000	2,00,00,000	2,00,00,000	2,00,00,000
Options granted (Nos.)	20,50,000	95,00,000 (Regrant)	1,00,00,000 (Regrant)	6,69,400 (Regrant)
Vesting period and percentage	Ten years, 10% each year	Five years, 20% each year	Five years, 20% each year	Five years, 20% each year
Vesting date	13th April each year, commencing 13 April 2011	13th May each year, commencing 13 May 2017	2nd September each year, commencing 2 September 2018	25th March each year, commencing 25 March 2019
Exercisable period	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date
Exercise price (₹)	31.35	16.00	219.65	254.85
Outstanding as at 1 April 2018 (Nos.)	**1,50,000**	**71,52,500**	**99,70,000**	**6,69,400**
Options vested during the year (Nos.)*		18,30,600		
Surrendered and eligible for re-grant during the year (Nos.)		6,64,800	90,000	4,50,000
Outstanding at the beginning of 31 March 2019 (Nos.)	**1,50,000**	**64,87,700**	**98,80,000**	**2,19,400**
Granted/ regranted during the year (Nos.)	-	-	-	-
Forfeited during the year (Nos.)	-	1,65,000	1,95,500	-
Exercised during the year (Nos.)	1,00,000	32,25,100	8,52,600	40,000
Expired during the year (Nos.)	-	-	-	-
Outstanding as at 31 March 2020 (Nos.)	**50,000**	**30,97,600**	**88,31,900**	**1,79,400**
Vested and exercisable as at 31 March 2020 (Nos.)	50,000	-	30,34,400	47,760
Remaining contractual life (Weighted Months)	60	67	67	77
Outstanding at the beginning of 1 April 2020 (Nos.)	**50,000**	**30,97,600**	**88,31,900**	**1,79,400**
Granted/ regranted during the year (Nos.)	-	-	-	-
Forfeited during the year (Nos.)	-	5,72,000	61,46,300	1,79,400
Exercised during the year (Nos.)	-	-	-	-
Expired during the year (Nos.)	-	-	-	-
Outstanding as at 31 March 2021 (Nos.)	50,000	25,25,600	26,85,600	-
Vested and exercisable as at 31 March 2021 (Nos.)	50,000	12,62,800	-	-
Remaining contractual life (Weighted Months)	48	55	71	-

Weighted average exercise price of share during the year ended 31 March 2021: Nil (31 March 2020: ₹ 187.29, 31 March 2019: ₹. Not applicable)

(iii) Dhani Services Limited - Employee Stock Benefit Scheme 2019 (“Scheme”) ("DSL-ESBS 2019").

The Scheme has been adopted and approved pursuant to: (a) a resolution of the Board of Directors of the Holding Company at its meeting held on 22 October 2019; and (b) a special resolution of the shareholders’ of the Holding Company passed through postal ballot on 4 December 2019, result of which were declared on 5 December 2019.

This Scheme comprises:
a. Dhani Services Limited Employees Stock Option Plan 2019 (“ESOP Plan 2019”)
b. Dhani Services Limited Employees Stock Purchase Plan 2019 (“ESP Plan 2019”)
c. Dhani Services Limited Stock Appreciation Rights Plan 2019 (“SARs Plan 2019”)

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the “SBEB Regulations”), the Holding Company has set up "Udaan - Employee Welfare Trust" ("Trust") for the purpose of implementation of the Scheme as per the terms of the respective Schemes as aforesaid. The Trust, in compliance with the “SBEB Regulations”, is authorised to purchase upto an aggregate of 10,500,000 (One Crore Five lakh) fully paid-up equity shares, being not more than 2% (Two percent) of the fully paid-up equity share capital of the Holding Company as on the date of approval of shareholders, from the secondary market. The Holding Company has appropriated its 10,400,000 fully paid up equity shares purchased by the Trust under the Scheme

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(All amounts are in Indian Rupees in millions unless stated otherwise)

Note - 58
Employee Stock Option Schemes *(continued)*

	DSL-ESBS 2019
Total options under the Scheme (Nos.)	1,05,00,000
Options granted (Nos.)	1,04,00,000
Vesting period and percentage	Three years, 33.33% each year
Vesting date	17th August each year, commencing 17 August 2021
Exercisable period	5 years from each vesting date
Exercise price (₹)	250.00
Outstanding at the beginning of 1 April 2020 (Nos.)	**-**
Granted during the year (Nos.)	1,04,00,000
Forfeited during the year (Nos.)	-
Exercised during the year (Nos.)	-
Expired during the year (Nos.)	-
Surrendered and eligible for re-grant during the year (Nos.)	-
Outstanding as at 31 March 2021 (Nos.)	**1,04,00,000**
Vested and exercisable as at 31 March 2021 (Nos.)	-
Remaining contractual life (Weighted Months)	77

(iv) Dhani Services Limited - Employee Stock Benefit Scheme 2020 ("Scheme") ("DSL-ESBS 2020").

The Scheme has been adopted and approved pursuant to: (a) a resolution of the Board of Directors of the Holding Company at its meeting held on 23 January 2020; and (b) a special resolution of the shareholders' of the Holding Company passed through postal ballot on 20 March 2020, result of which were declared on 21 March 2020.

This Scheme comprises:
a. Dhani Services Limited Employees Stock Option Plan 2020 ("ESOP Plan 2020")
b. Dhani Services Limited Employees Stock Purchase Plan 2020 ("ESP Plan 2020")
c. Dhani Services Limited Stock Appreciation Rights Plan 2020 ("SARs Plan 2020")

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the "SBEB Regulations"), the Company has set up "Udaan - Employees Welfare Trust" (Trust) for the purpose of implementation of the Scheme as per the terms of the respective Schemes as aforesaid. The Trust, in compliance with the "SBEB Regulations", is authorised to purchase upto an aggregate of 9,300,000 (Ninety Three lakh) fully paid-up equity shares, being not more than 2% (Two percent) of its fully paid-up equity share capital as on the date of approval of shareholders, from the secondary market. The Holding Company has not granted any options/ SARs under the said scheme as at 31 March 2021.

C. Fair Valuation:
The details of the Fair value of the options / SARs as determined by an Independent firm of Chartered Accountants, for the respective plans using the Black-Scholes Merton Option Pricing Model:-

	DSL ESOP - 2008			
	2,00,00,000 Options	**97,00,000 Options**	**5,00,000 Options**	**8,80,600 Options**
1. Exercise price (₹)	17.40	24.15	219.65	254.85
2. Expected volatility *	79.00%	42.97%	46.70%	47.15%
3. Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil
4. Option Life (Weighted Average) (in years)	11	6	6	6
5. Expected Dividends yield	22.99%	10.82%	1.27%	1.10%
6. Risk Free Interest rate	6.50%	7.45%	6.54%	7.56%
7. Fair value of the options (₹)	0.84	4.31	106.31	130.05

(All amounts are in Indian Rupees in millions unless stated otherwise)

Note - 58
Employee Stock Option Schemes *(continued)*

	DSL-ESBS	DSL ESOP – 2009			
	1,04,00,000 SARs	20,50,000 Options	95,00,000 Options	1,00,00,000 Options	6,69,400 Options
1. Exercise price (₹)	250.00	31.35	16.00	219.65	254.85
2. Expected volatility *	68.45%	48.96%	40.74%	46.70%	47.15%
3. Expected forfeiture percentage on each vesting	Nil	Nil	Nil	Nil	Nil
4 Option Life (Weighted Average) (in years)	4 Years	10 Years	6 Years	6 Years	6 Years
5. Expected dividends yield	1.71%	6.86%	16.33%	1.27%	1.10%
6. Risk free interest rate	4.17%	8.05%	7.45%	6.54%	7.56%
7. Fair value of the options (₹)	55.49	9.39	1.38	106.31	130.05

* The expected volatility was determined based on historical volatility data.

D. Share based payment expense:

The Company has recognised reversal of Share based payments expense to employees of ₹ 1,04.15 Millions (31 March 2020: ₹ 1,50.42 Millions, 31 March 2019 Rs. 345.37 Millions) in the statement of Profit and loss for the year ended 31 March 2021 as follows:

	For the year March 31, 2021	For the year March 31, 2020	For the year March 31, 2020
Share based payments (reversal) / expense (continuing operations)	(104.15)	150.41	345.37
Share based payments expense (discontinued operations)	-	-	-
	(104.15)	**150.41**	**345.37**

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(All amounts are in Indian Rupees in millions unless stated otherwise)

Note - 59
As at 31 March 2021, there were no dues required to be credited to the Investor Education and Protection Fund under Section 124(5) of the Act. (31 March 2020: ₹ Nil, 31 March 2019: NIL).

In terms of our report of even date attached.

For Hem Sandeep & Co Chartered Accountants Firm's registration no. : 009907N	**For and on behalf of the Board of Directors**			
Ajay Sardana Partner Membership No.: 089011	**Pinank Jayant Shah** Whole Time Director & Chief Executive Officer DIN: 07859798	**Ajit Kumar Mittal** Director DIN: 02698115	**Rajeev Lochan Agrawal** Chief Financial Officer	**Manish Rustagi** Company Secretary
Place: New Delhi Date: 25 March 2022	Place: Mumbai Date: 25 March 2022	Place: Mumbai Date: 25 March 2022	Place: Gurugram Date: 25 March 2022	Place: Gurugram Date: 25 March 2022

DHANI LOANS AND SERVICES LIMITED
(Formerly known as Indiabulls Consumer Finance Limited)
ANNEXURE VI - Statement of Dividend

Dividend on Equity Shares

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Equity Share Capital (₹ in million)	611.88	611.88	611.88
Face Value per Equity Share (in ₹)	10.00	10.00	10.00
Interim Dividend on Equity Shares (₹ per Equity Share)	-	28.25	18.85
Amount of total Dividend on Equity Shares (₹ in million)	-	1,728.56	462.80
Dividend Distribution Tax (₹ in million)	-	355.31	95.13
Rate of Dividend (in %)	-	282.50%	188.50%

Dividend on Preference Shares

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Preference Share Capital (₹ in million)	-	-	-
Face Value Per Preference Share (in ₹)	-	-	10.00
Interim Dividend on Preference Shares (₹ per Share)	-	-	0.00
Amount of total Dividend on Preference Shares (₹ in million)	-	-	0.00*
Dividend Distribution Tax** (₹ in million)	-	-	0.00*
Rate of Dividend (in %)	-	-	0.001%

*Dividend on preference shares was ₹550 and corporate dividend tax of ₹113 for the financial year ended 31 March 2019.

For and on behalf of the Board of Directors

Pinank Jayant Shah
Whole Time Director &
Chief Executive Officer
DIN: 07859798

Place: Mumbai
Date: 25 March 2022

Ajit Kumar Mittal
Director
DIN: 02698115

Place: Mumbai
Date: 25 March 2022

Rajeev Lochan Agrawal
Chief Financial Officer

Place: Gurugram
Date: 25 March 2022

Manish Rustagi
Company Secretary

Place: Gurugram
Date: 25 March 2022

Hem Sandeep & Co.
Chartered Accountants

Independent Auditor's Review Report
on Review of Unaudited Interim Consolidated Financial Information

To The Board of Directors of
Dhani Loans and Services Limited
(formerly Indiabulls Consumer Finance Limited)
M-62 & 63, First Floor,
Connaught Place,
New Delhi – 110 001, India

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 Rs. 1,000 each (the "NCDs"), aggregating up to Rs. 1,000 million ("Base Issue") with an option to retain oversubscription up to Rs. 1,000 million, aggregating up to Rs. 2,000 million ("Issue Size") ("Issue").

Dear Sirs

1. At your request, we have reviewed the accompanying Unaudited Interim Consolidated Financial Information of Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited) ("**the Company**" or "**the Holding Company**") of the Company and its subsidiaries (collectively referred to as "**the Group**") (refer Annexure 1 for the list of subsidiaries included in the Statement) for the quarter and nine month period ended December 31, 2021 ("the **Statement**"), prepared by the management of the Company in the format prescribed and pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("**Listing Regulations**"), in connection with the Issue as approved by the Board of Directors in its meeting dated January 14, 2019 in accordance with the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended (the "**SEBI NCS Regulations**"), issued by the Securities and Exchange Board of India (the "**SEBI**"). We have initialled the Statement for identification purposes only.

2. This Statement, which is the responsibility of the Holding Company's Management and has been approved by the Bond Issue Committee of the Board of Directors on March 25, 2022, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("**Ind AS 34**"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410-'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of

interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit, conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We do not express an audit opinion.

Emphasis of Matter

4. We draw attention to Note 3(a) 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 December 31, 2021. Our conclusion is not modified in respect of this matter.

5. In respect of the subsidiary – Indiabulls Distribution Services Limited, as reported by the component auditor, we draw attention to Note 3(b) of the accompanying Statement which describes the effects of uncertainties relating to COVID – 19 pandemic outbreak on the subsidiary Company's operations, that are dependent upon future developments, and the impact thereof on the subsidiary Company's estimates of impairment of certain financial assets as at December 31, 2021, and that such estimates may be affected by the severity and duration of the pandemic. Our opinion is not modified in respect of this matter.

6. In respect of the subsidiary – Indiabulls Investment Advisors Limited, as reported by the component auditor, we draw attention to Note 3(c) of the accompanying financial result which describes the effects of uncertainties relating to COVID – 19 pandemic outbreak on the subsidiary Company's operations, that are dependent upon future developments, and the impact thereof on the subsidiary Company's estimates of impairment of certain financial assets as at December 31, 2021, and that such estimates may be affected by the severity and duration of the pandemic. Our opinion is not modified in respect of this matter.

Other Matters

7. We did not review the interim financial information of four subsidiaries included in the Statement, whose financial information reflects total revenue of Rs. 703.26 millions and Rs. 1,849.26 millions, total net profit/(loss) after tax of Rs. 105.05 millions and Rs. (374.93) millions and total comprehensive income/(loss) of Rs. 105.05 millions and Rs. (378.01) millions for the nine months period ended December 31, 2021 respectively, as considered in the Statement. Such interim financial information has been reviewed by other auditors whose review reports have been furnished by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the review reports of such other auditors. Our conclusion is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.

8. The comparative financial information of the Group for the year ended March 31, 2021, included in the Statement, was audited by M/s Walker Chandiok & Co. LLP ("the **Erstwhile Auditors**") who expressed an unmodified opinion on those financial statements vide their report dated June 18, 2021. Our conclusion is not modified in respect of this matter. We have not audited or reviewed any financial statements of the Group as of or for any periods prior to March 31, 2021. Accordingly, we express no

opinion on the financial position, profit and loss (including other comprehensive income) or cash flows of the Group as of and for any periods prior to March 31, 2021.

9. The figures for the quarter ended December 31, 2021 and December 31, 2020 are the balancing figures between reviewed figures in respect of the half year ended September 30, 2021 and September 30, 2020 and the reviewed figures for the year to date period ended December 31, 2021 and the un-audited figures for the year to date period ended December 31, 2020 respectively. The figures for the year-to-date period ended December 31, 2020 have not been audited or reviewed by us and have been included in the Statement solely based on the information provided by the Management of the Company. Our conclusion is not modified in respect of this matter.

10. Based on our review conducted as stated above in paragraph 3 above and upon consideration of the review reports of other auditors referred to in paragraph 7 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, contains any material misstatement.

11. This report has been issued solely at the request of the Company's management for the purpose of inclusion in Draft Prospectus and the Prospectus in connection with the Issue in accordance with the provisions of the SEBI NCS Regulations, which requires it to submit the report with the accompanying Statement and therefore, it may not be suitable for another purpose and accordingly should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this review report is shown or into whose hands it may come without our prior consent in writing.

12. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For Hem Sandeep & Co.
Chartered Accountants
Firm Registration No. 009907N

Ajay Sardana
Partner
Membership No. 089011
New Delhi, March 25, 2022
UDIN: 22089011AFXZVC4406

Annexure 1 to the Independent Auditor's Review Report on Unaudited Interim Consolidated Financial Information of Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited) for the quarter and nine months period ended December 31, 2021

List of entities included in the Statement

1. Indiabulls Investment Advisors Limited
2. Indiabulls Distribution Services Limited
3. Transerv Limited (formerly Transerv Private Limited)
4. Indiabulls Alternative Investments Limited

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Dhani Loans and Services Limited
(Formerly known as Indiabulls Consumer Finance Limited)
(CIN: U74899DL1994PLC062407)
Statement of Unaudited Consolidated Financial Information for the Quarter and Nine-months ended 31st December 2021

(Amount in ₹ Millions)

Statement of Unaudited Consolidated Financial Information for quarter and nine months ended 31st December 2021

	Particulars	For quarter ended			For nine months ended		For year ended
		31st December 2021	30th September 2021	31st December 2020	31st December 2021	31st December 2020	31st March 2021
		(Refer Note 5)	(Unaudited)	(Refer Note 5)	(Unaudited)	(Unaudited)	(Audited)
1	**Revenue from operations**						
(i)	Interest income	1,159.13	1,105.39	2,193.91	3,103.98	7,405.52	8,450.44
(ii)	Fees and commission income	2,641.48	1,148.69	613.99	4,300.51	1,152.62	1,730.00
(iii)	Net gain on fair value changes	15.20	55.54	95.47	163.10	223.39	306.45
(iv)	Net gain on derecognition of financial assets	0.14	0.24	(300.68)	0.50	999.16	1,004.55
	Total revenue from operations	**3,815.95**	**2,309.86**	**2,602.69**	**7,568.09**	**9,780.69**	**11,491.44**
2	Other income	119.71	61.07	150.21	204.79	186.42	275.50
3	**Total income (1+2)**	**3,935.66**	**2,370.93**	**2,752.90**	**7,772.88**	**9,967.11**	**11,766.94**
	Expenses :						
(i)	Finance costs	524.76	661.87	1,143.71	1,983.10	3,613.51	4,585.00
(ii)	Fees and commission expense	316.00	230.13	258.77	799.61	364.03	519.25
(iii)	Impairment on financial assets	607.72	1,002.07	425.70	3,280.96	921.18	1,841.20
(iv)	Employee benefits expenses	737.27	650.29	962.58	2,558.51	2,320.76	3,334.05
(v)	Depreciation and amortisation	196.37	175.26	226.15	536.19	694.78	734.19
(vi)	Other expenses	563.84	665.89	325.60	1,874.77	1,572.62	2,002.20
4	**Total expenses**	**2,945.96**	**3,385.51**	**3,342.51**	**11,033.14**	**9,486.88**	**13,015.89**
5	**Profit/(loss) before tax (3-4)**	**989.70**	**(1,014.58)**	**(589.61)**	**(3,260.26)**	**480.23**	**(1,248.95)**
6	**Tax expense:**						
	a) Current tax	7.87	0.18	285.20	8.47	996.15	420.72
	b) Income tax of earlier years	-	0.02	-	0.02	-	-
	c) Deferred tax charge/(credit)	231.53	(268.69)	(391.11)	(793.42)	(759.11)	(511.41)
	Total tax expense	**239.40**	**(268.49)**	**(105.91)**	**(784.93)**	**237.04**	**(90.69)**
7	**Profit/(loss) for the period (5-6)**	**750.30**	**(746.09)**	**(483.70)**	**(2,475.33)**	**243.19**	**(1,158.26)**
8	**Other comprehensive income**						
	(a) Items that will not be reclassified to profit or loss	-	3.76	-	3.76	52.60	60.78
	(b) Income-tax relating to items that will not be reclassified to profit or loss	-	(0.95)	-	(0.95)	(13.24)	(15.30)
	(c) Items that will be reclassified to profit or loss	0.60	(14.70)	(36.00)	(71.40)	(51.90)	(35.70)
	(d) Income-tax relating to items that will be reclassified to profit or loss	(0.15)	3.70	9.06	17.97	13.06	8.99
	Total other comprehensive income	**0.45**	**(8.19)**	**(26.94)**	**(50.62)**	**0.52**	**18.77**
9	**Total comprehensive income for the period (7+8)**	**750.75**	**(754.28)**	**(510.64)**	**(2,525.95)**	**243.71**	**(1,139.49)**

	Particulars	For quarter ended			For nine months ended		For year ended
		31st December 2021	30th September 2021	31st December 2020	31st December 2021	31st December 2020	31st March 2021
		(Refer Note 5)	(Unaudited)	(Refer Note 5)	(Unaudited)	(Unaudited)	(Audited)
10	**Net Profit/(loss) after tax attributable to :-**						
	Owners of the Holding Company	741.84	(739.55)	(464.76)	(2,476.45)	255.44	(1,115.91)
	Non controlling interests	8.46	(6.54)	(18.94)	1.12	(12.25)	(42.35)
11	**Other comprehensive income attributable to :-**						
	Owners of the Holding Company	0.45	(8.19)	(26.94)	(50.62)	0.52	18.77
	Non controlling interests	-	-	-	-	-	-
12	**Total comprehensive income attributable to :-**						
	Owners of the Holding Company	742.28	(747.74)	(491.69)	(2,527.07)	255.97	(1,097.14)
	Non controlling interests	8.47	(6.54)	(18.94)	1.12	(12.25)	(42.35)
13	Paid-up equity share capital (face value of ₹ 10 each per equity share)	611.88	611.88	611.88	611.88	611.88	611.88
14	Other equity as per Audited Balance Sheet						39,667.51
15	(Loss)/Earnings per share (EPS) (face value of ₹ 10 each per equity share)						
	*(EPS for the Quarter/Nine-Months not annualised)						
	(1) Basic (amount in ₹)	12.12*	-12.09*	-7.60*	-40.47*	4.17*	-18.24
	(2) Diluted (amount in ₹)	11.85*	-12.09*	-7.60*	-40.47*	4.17*	-18.24

Notes to the Unaudited Interim Consolidated Financial Information:

1 Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited) ('**DLSL**', **'the Company', 'the Holding Company'**) and its subsidiaries are together referred to as 'the Group' in the following notes. These Unaudited Interim consolidated financial Information of the Holding Company for the quarter and nine months ended 31st December 2021 along with the comparitive period have been approved by the Bond Issue Committee of the Board of Directors at their meeting held on 25th March 2022.

2 The Unaudited Interim Standalone Financial Information of the Company has been prepared in the format prescribed and pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("**Listing Regulations**"), in connection with the Issue as approved by the Board of Directors in its meeting dated January 14, 2019 in accordance with the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended (the "**SEBI NCS Regulations**"), issued by the Securities and Exchange Board of India (the "**SEBI**"). The Stataement has been prepared by the management of the Company in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, "Interim Financial Reporting" ("**Ind AS 34**"), prescribed under section 133 of the Companies Act 2013 ('**the Act**'), and other recognized accounting practices generally accepted in India. The disclosure and presentation requirements in accordance with Ind-AS have not been complied with since this Statement is prepared solely for the purpose of inclusion in Draft Prospectus and the Prospectus (collectively "**the Offer Documents**") in connection with Proposed public issue by the Company of secured redeemable non-convertible debentures of face value of ₹ 1,000 each (the "**NCDs** "), aggregating up to ₹ 1,000 million ("**Base Issue**") with an option to retain oversubscription up to ₹ 1,000 million, aggregating up to ₹ 2,000 million ("**Issue Size**") ("**Issue**"). This Statement has been prepared by the Company's management for the purpose of inclusion in Draft Prospectus and the Prospectus in connection with the Issue in accordance with the provisions of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended.

3 a) Consequent to the outbreak of the COVID-19 pandemic, the Indian Government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the Government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases. The impact of COVID-19, including changes in customer behavior and pandemic fears, as well as restriction of business and individual activities led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. This may lead to a rise in the number of borrower defaults and consequently an increase in corresponding provisions. The extent to which COVID-19 pandemic, including the outbreak in December 2021 due to a new variant, that has significantly increased the number of cases in India, will continue to impact the Holding Company's performance and will depend on ongoing as well as future developments which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by us.

The Holding Company has recognized provisions as on 31st December 2021 towards its loan assets, based on the information available at this point of time, in accordance with the expected credit loss method. The Holding Company believes that it has considered all the possible impact of the known events arising out of COVID-19 pandemic in the preparation of financial results. However, the impact assessment of COVID-19 is a continuing process given its nature and duration. The Holding Company will continue to monitor any material changes to future economic condition.

The Holding Company's capital and liquidity position remains sufficient and would continue to be the focus area for the Holding Company; accordingly, the Holding Company does not expect a stress on its liquidity situation in the immediate future.

b) In respect of Indiabulls Distribution Services Limited, a subsidiary company, the subsidiary company has assessed the impact of the Covid-19 pandemic on its business operations and financial position and based on its review of current indicators of future economic conditions, the subsidiary company has estimated and recognized expected credit loss on certain financial assets as at 31 December 2021. The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial statements. The subsidiary company will continue to monitor any material changes to future economic conditions. However, since the situation is rapidly evolving, its effect on the operations of the subsidiary company may be different from that estimated as at the date of approval of these financial statements. The subsidiary company will continue to closely monitor material changes in markets and future economic conditions.

c) In respect of Indiabulls Investment Advisors Limited, a subsidiary company, The subsidiary company has assessed the impact of the Covid-19 pandemic on its business operations and financial position and based on its review of current indicators of future economic conditions, the subsidiary company has estimated and recognized expected credit loss on certain financial assets as at 31 December 2021. The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial statements. The subsidiary company will continue to monitor any material changes to future economic conditions. However, since the situation is rapidly evolving, its effect on the operations of the subsidiary company may be different from that estimated as at the date of approval of these financial statements. The subsidiary company will continue to closely monitor material changes in markets and future economic conditions.

4 The Government of India, Ministry of Finance, vide its notification dated 23rd October 2020, had announced COVID-19 Relief Scheme ("the Scheme") for grant of exgratia payment being difference between compounded interest and simple interest for six months period from 1st March 2020 to 31st August 2020 to eligible borrowers as per the Scheme. The management has credited the differential interest in the borrower accounts in line with the requirement of the Scheme and does not have any impact on the financial results. The Company have received the entire amount from Government of India as on 31st December 2021.

5 The figures for the Quarter ended 31st December 2021 and 31st December 2020 are the balancing figures between the reviewed figures for the Nine-Months ended 31st December 2021 and the un-audited figures for 31st December 2020 and the reviewed figures for the Half-year ended 30th September 2021 and 30th September 2020 respectively.

6 The Indian Parliament has approved the code on Social Security 2020 which would impact the contributions by the Group towards Provident Funds and Gratuity. The Ministry of Labour and Employment has released draft rules for the code on Social Security, 2020 on 13th November 2020 and has invited suggestions from stakeholders which are under active Considerations by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial results in the period in which, the code becomes effective and the related rules to determine the financial impact are published.

7 The Bond Issue Committee of the Board of Directors of the Company in its meeting held on 2nd February 2022 approved and allotted 1,905,722 NCDs of face value of ₹1,000 each, aggregating to ₹1,905.72 Millions on Public issue basis.

Particulars	**Amount (₹ In Millions)**	**Date of Issue**	**Date of Listing**	
			NSE	**BSE**
Non-convertible debentures ('NCDs')	1,905.72	2 February 2022	4 February 2022	4 February 2022

8 The Allotment Committee of the Board of Directors of the Company in its meeting held on 16th December 2021 approved and allotted 80,08,178 Redeemable Convertible Preference Shares (RCPS) of face value of ₹10 each (Issue Price-₹765 Per RCPS), aggregating to ₹6,126.26 Millions to its Parent Company namely Dhani Services Limited.

9 Segment results

The Group's operating segments are established on the basis of those components of the group that are evaluated regularly by the Board of Directors (the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments'), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of services, the differing risks and returns and the internal business reporting systems.

Particulars	For quarter ended			For nine months ended		For the year ended
	31st December 2021	30th September 2021	31st December 2020	31st December 2021	31st December 2020	31st March 2021
	(Refer Note 5)	(Unaudited)	(Refer Note 5)	(Unaudited)	(Unaudited)	(Audited)
Segment revenue						
Broking and related activities	198.58	163.42	308.25	522.61	806.43	1,047.28
Financing and related activities	3,638.96	2,195.16	2,280.34	7,111.45	8,976.67	10,438.11
Others	3.62	1.41	14.11	9.37	20.89	29.34
Total	**3,841.16**	**2,359.99**	**2,602.70**	**7,643.43**	**9,803.99**	**11,514.73**
Less: Inter segment revenue	(25.20)	(50.14)	-	(75.34)	(23.29)	(23.29)
Total revenue from operations	**3,815.96**	**2,309.85**	**2,602.70**	**7,568.09**	**9,780.70**	**11,491.44**
Segment results						
Profit /(loss) before tax and interest expense						
Broking and related activities	161.64	(262.15)	122.45	(286.11)	445.45	378.15
Financing and related activities	888.72	(669.63)	(605.49)	(2,751.28)	202.03	(1,343.30)
Others	1.10	(0.47)	11.00	2.32	12.13	17.50
Total	**1,051.46**	**(932.25)**	**(472.04)**	**(3,035.07)**	**659.61**	**(947.65)**
(i) Less: Interest expense	50.18	72.40	99.79	193.43	125.97	230.19
(ii) (Less)/Add: Other unallocable income / (expenses)	(11.58)	(9.93)	(17.78)	(31.77)	(53.40)	(71.10)
Profit/ (Loss) before tax	**989.70**	**(1,014.58)**	**(589.61)**	**(3,260.27)**	**480.23**	**(1,248.94)**
Segment assets						
Broking and related activities	8,468.63	8,664.41	12,951.19	8,468.63	12,951.19	9,568.71
Financing and related activities	58,528.73	52,048.68	70,836.69	58,528.73	70,836.69	69,612.04
Unallocable segment assets	4,802.14	5,024.05	3,459.59	4,802.14	3,459.59	3,926.81
Total	**71,799.50**	**65,737.14**	**87,247.47**	**71,799.50**	**87,247.47**	**83,107.56**
Segment liabilities						
Broking and related activities	827.89	1,166.85	2,940.76	827.89	2,940.76	1,882.60
Financing and related activities	25,955.27	26,610.38	41,993.74	25,955.27	41,993.74	40,289.28
Unallocable segment liabilities	5.28	5.26	5.84	5.28	5.84	5.08
Total	**26,788.44**	**27,782.49**	**44,940.34**	**26,788.44**	**44,940.34**	**42,176.96**
Capital employed (segment assets - segment liabilities)						
Broking and related activities	7,640.74	7,497.56	10,010.43	7,640.74	10,010.43	7,686.11
Financing and related activities	32,573.46	25,438.30	28,842.95	32,576.93	28,842.95	29,322.76
Unallocable capital employed	4,796.86	5,018.79	3,453.75	4,796.85	3,453.75	3,921.73
Total	**45,011.06**	**37,954.65**	**42,307.13**	**45,014.52**	**42,307.13**	**40,930.60**

10 Non-convertible debentures of the Holding Company are secured by way of first ranking pari passu charge on the current assets (including investments) of the Holding Company, both present and future; and on present and future loan assets of the Holding Company, including all monies receivable for the principal amount and interest thereunder to the extent as stated in the information memorandum. Further, the Holding Company has maintained asset cover as stated in the information memorandum.

11 Pursuant to the RBI circular dated 12th November 2021 -"Prudential norms on Income Recognition, Assets Classification and Provisioning Pertaining to Advances- Classifications", the Company has complied with the norms with regard to classification/reclassification of loan assets.

12 Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/86 DOR,STR,REC 51/21.04.048/2021-22 dated 24th September 2021

(a) Details of transfer through assignment in respect of loans not in default during the nine months ended 31 December 2021

Entity	**NBFC**
Count of Loan accounts Assigned	NIL
Amount (Millions) of Loan accounts Assigned	NIL
Retention of beneficial economic interest (MRR) (Rs. Millions)	NIL
Weighted Average Maturity (Residual Maturity) (Months)	NIL
Weighted Average Holding Period (Months)	NIL
Coverage of tangible security coverage	NIL
Rating-wise distribution of rated loans	NIL

(b) Details of stressed loans transferred during the nine months ended 31 December, 2021

Particulars	**To Asset Reconstruction Companies (ARC)**		
Number of accounts	**NPA**	**SMA**	**Total**
Aggregate principal outstanding of loans transferred (Rs. in Millions)	NIL	NIL	NIL
Weighted average residual tenor of the loans transferred (in years)	NIL	NIL	NIL
Net book value of loans transferred (at the time of transfer) (Rs. in Millions)	NIL	NIL	NIL
Aggregate consideration (Rs. in Millions)	NIL	NIL	NIL
Additional consideration realized in respect of accounts transferred in earlier years	NIL	NIL	NIL
Excess provisions reversed to the Profit and Loss Account on account of sale	NIL	NIL	NIL

(c) The Company has not acquired any stressed loan during nine months ended 31st December 2021

13 Disclosure under RBI Circular No. :RBl/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated 5 May 2021 Resolution Framework - 2.0 (OTR 2):

Description	**Rupees in Millions except number of accounts**		
	Individual Borrowers		**Small Business**
	Personal Loans	**Business Loans**	
A) Number of requests received for invoking resolution process under Part A	29	57	-
B) Number of accounts where resolution plan has been implemented under this window	29	57	-
C) Exposure to accounts mentioned at (B) before implementation of the plan	3.77	47.05	-
(D) of (C), aggregate amount of debt that was converted into other securities	-	-	-
E) Additional funding sanctioned, if any, including between invocation of the plan and implementation	-	-	-
F) Increase in provisions on account of the implementation of the resolution plan ^	-	-	-

^ Provision as per IRAC norms

14 Hon’ble Supreme Court, in a public interest litigation (Gajendra Sharma vs Union of India & Anr), vide an interim order dated 3rd September 2020 (‘interim order’) has directed that accounts classified which were not declared NPA till 31st August 2020 shall not be declared as NPA till further orders. Basis the said interim order, the Holding Company, till 31 December 2020 has not classified any account as NPA, as per regulatory norms, after 31st August 2020 which was not NPA as of 31st August 2020. Such accounts have been classified as stage 3 and provisioned accordingly.

The interim order granted to not declare accounts as NPA stood vacated on March 23, 2021 vide the judgement of the Hon’ble SC in the matter of Small Scale Industrial Manufacturers Association vs. UOI & Ors. and other connected matters. In accordance with the instructions in paragraph 5 of the RBI circular no. RBI/2021-22/17DOR. STR.REC.4/21.04.048/2021-22 dated April 7, 2021, the Holding Company has carried out asset classification of the borrower accounts as per the extant RBI instructions / IRAC norms, without considering any standstill in asset classification and also done staging of the borrower accounts in accordance with ECL model / framework under Ind AS in the financial statements for the nine months ended December 31, 2021 and year ended March 31, 2021.

15 Figures for previous year/period have been regrouped, wherever necessary to make them comparable to current period.

Registered Office: M-62 & 63, First Floor, Connaught Place, New Delhi - 110001
(CIN: U74899DL1994PLC062407)

For and on behalf of Board of Directors

Place : Mumbai
Date : 25th March 2022

Pinank Shah
CEO & Whole Time Director

Independent Auditor's Review Report
on Review of Interim Standalone Financial Information

To The Board of Directors of
Dhani Loans and Services Limited
(formerly Indiabulls Consumer Finance Limited)
New Delhi

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 Rs. 1,000 each (the "NCDs"), aggregating up to Rs. 1,000 million ("Base Issue") with an option to retain oversubscription up to Rs. 1,000 million, aggregating up to Rs. 2,000 million ("Issue Size") ("Issue").

Dear Sirs

1. At your request, we have reviewed the accompanying Unaudited Interim Standalone Financial Information of Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited) ("the **Company**") for the quarter and nine months period ended December 31, 2021 ("the **Statement**"), prepared by the management of the Company in the format prescribed and pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations"), in connection with the Issue as approved by the Board of Directors in its meeting dated January 14, 2019 in accordance with the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended (the "**SEBI NCS Regulations**"), issued by the Securities and Exchange Board of India (the "**SEBI**"). We have initialled the Statement for identification purposes only.

2. This Statement is the responsibility of the Company's Management and has been approved by the Bond Issue Committee of the Board of Directors on March 25, 2022 and has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("**Ind AS 34**"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410-'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit, conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We do not express an audit opinion.

Emphasis of Matter

4. We draw attention to Note 4 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 December 31, 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. Our conclusion is not modified in respect of this matter.

Other Matters

5. The comparative financial information of the Company for the year ended March 31, 2021, included in the Statement, was audited by M/s Walker Chandiok & Co. LLP ("the **Erstwhile Auditors**") who expressed an unmodified opinion on those financial statements vide their report dated June 18, 2021. Our conclusion is not modified in respect of this matter. We have not audited or reviewed any financial statements of the Company as of or for any periods prior to March 31, 2021. Accordingly, we express no opinion on the financial position, profit and loss (including other comprehensive income) or cash flows of the Company as of and for any periods prior to March 31, 2021.

6. The figures for the quarter ended December 31, 2021 and December 31, 2020 are the balancing figures between reviewed figures in respect of the half year ended September 30, 2021 and September 30, 2020 and the reviewed figures for the year to date period ended December 31, 2021 and the un-audited figures for the year to date period ended December 31, 2020 respectively. The figures for the year-to-date period ended December 31, 2020, for the quarter ended December 31, 2020 have not been audited or reviewed by us and have been included in the Statement solely based on the information provided by the Management of the Company. Our conclusion is not modified in respect of this matter.

7. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, contains any material misstatement.

8. This report has been issued solely at the request of the Company's management for the purpose of inclusion in Draft Prospectus and the Prospectus in connection with the Issue in accordance with the provisions of the SEBI NCS Regulations, which requires it to submit the report with the accompanying Statement and therefore, it may not be suitable for another purpose and accordingly should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this review report is shown or into whose hands it may come without our prior consent in writing.

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9. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For Hem Sandeep & Co.
Chartered Accountants
Firm Registration No. 009907N

Ajay Sardana
Partner
Membership No. 089011
New Delhi, March 25, 2022
UDIN: 22089011AFYASQ8750