RED HERRING PROSPECTUS
Dated March 4, 2013
Please read section 60B of the Companies Act, 1956
100% Book Building Issue

REPCO HOME FINANCE LIMITED

Our Company was incorporated as a public limited company under Companies Act, 1956 on April 4, 2000 with the name Repco Home Finance Limited. We received our certificate of commencement of business on May 2, 2000 from the Registrar of Companies, Tamil Nadu. There has been no change in the name and the registered office of our Company since incorporation. For further details, see the section titled "*History and Certain Corporate Matters*" on page 100

Registered Office: Repco Tower, No. 33, North Usman Road, T. Nagar, Chennai 600 017, Tamil Nadu, India; **Telephone**: +91 44 2834 0715; **Facsimile**: +91 44 2834 0716
Corporate Office: Karumuttu Centre, Second Floor - North Wing, Old No: 498, New No: 634, Anna Salai, Nandanam, Chennai 600 035, Tamil Nadu, India
Telephone: +91 44 4210 6650; **Facsimile**: +91 44 4210 6651
Contact Person and Compliance Officer: Mr. K. Prabhu; **Telephone**: +91 44 4210 6650; **Facsimile**: +91 44 4210 6651
E-mail: cs@repcohome.com; **Website**: www.repcohome.com

PROMOTER OF OUR COMPANY: REPCO BANK LIMITED

PUBLIC ISSUE OF 15,720,262 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF REPCO HOME FINANCE LIMITED ("OUR COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE, AGGREGATING TO ₹ [●] MILLION (THE "ISSUE"). THE ISSUE INCLUDES A RESERVATION OF 180,000 EQUITY SHARES OF ₹ 10 EACH FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED IN "DEFINITIONS AND ABBREVIATIONS") AT THE ISSUE PRICE ("EMPLOYEE RESERVATION PORTION"). THE ISSUE LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE SHALL CONSTITUTE 25.29% OF THE POST ISSUE PAID-UP CAPITAL AND THE NET ISSUE SHALL CONSTITUTE 25% OF THE POST ISSUE PAID-UP CAPITAL OF OUR COMPANY. OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS ("BRLMs"), MAY DECIDE TO OFFER DISCOUNTS TO THE ISSUE PRICE AMOUNTING TO ₹ [●] AND ₹ [●] TO RETAIL INDIVIDUAL BIDDERS AND ELIGIBLE EMPLOYEES, RESPECTIVELY.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH. THE PRICE BAND, THE MINIMUM BID LOT SIZE, EMPLOYEE DISCOUNT AND RETAIL DISCOUNT, IF ANY, WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLMs AND WILL BE ADVERTISED AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE "SEBI ICDR REGULATIONS").

In case of any revision in the Price Band, the Bidding/Issue Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bidding/Issue Period not exceeding ten Working Days. Any revision in the Price Band, and the revised Bidding/Issue Period, if applicable, shall be widely disseminated by notification to the Self Certified Syndicate Banks ("**SCSBs**"), the National Stock Exchange of India Limited (the "**NSE**") and BSE Limited (the "**BSE**"), by issuing a press release and also by indicating the change on the websites of the BRLMs and at the terminals of the other members of the Syndicate.

The Issue is being made through the 100% Book Building Process in accordance with Rule 19(2)(b)(i) of the Securities Contracts Regulation Rules, 1957, as amended ("**SCRR**") read with Regulation 26(1) of the SEBI ICDR Regulations, wherein 50% of the Net Issue shall be available for allocation on a proportionate basis to qualified institutional buyers ("**QIBs**"). Our Company may, in consultation with the BRLMs allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third shall be reserved for allocation to domestic Mutual Funds only. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue Price. The allotment of Equity Shares to each Retail Individual Bidder shall not be less than minimum bid lot, subject to availability of Equity Shares in Retail Investor category, and the remaining available Equity Shares, if any, shall be allotted on proportionate basis. Further, 180,000 Equity Shares shall be reserved for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received at or above the Issue price. All Investors other than Anchor Investors may participate in the Issue though the ASBA process by providing the details of their respective ASBA Accounts. QIBs and Non Institutional Bidders shall mandatorily participate through the ASBA process. Specific attention is invited to the section titled "*Issue Procedure*" on page 207.

RISKS IN RELATION TO FIRST ISSUE

This being the first public issue of the Equity Shares, there is no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10 each and the Floor Price is [●] times of the face value and the Cap Price is [●] times of the face value. The Issue Price (as determined and justified by our Company in consultation with the BRLMs, as stated in the section titled "*Basis for the Issue Price*" on page 51) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to the section titled "*Risk Factors*" on page xiii.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

IPO GRADING

The Issue has been graded by ICRA Limited and has been assigned the "IPO Grade 3/5" indicating average fundamentals in its letter dated December 18, 2012. The IPO grading is assigned on a five point scale from 1 to 5 with "IPO Grade 5/5" indicating strong fundamentals and "IPO Grade 1/5" indicating poor fundamentals. For more information on IPO grading, see the sections titled "*General Information*", "*Other Regulatory and Statutory Disclosures*" and "*Material Contracts and Documents for Inspection*" on pages 20, 184 and 273 respectively.

LISTING ARRANGEMENT

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the NSE and the BSE. Our Company has received in-principle approvals from the NSE and the BSE for listing of the Equity Shares pursuant to their letters dated October 24, 2011 and November 4, 2011 respectively. For the purposes of the Issue, the NSE shall be the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE ISSUE
SBI Capital Markets Limited 202, Maker Tower 'E' Cuffe Parade Mumbai 400 005 Maharashtra, India Tel: +91 22 2217 8300 Fax: +91 22 2218 8332 Email: repcohome.ipo@sbicaps.com Investor Grievance Email: investor.relations@sbicaps.com Website: www.sbicaps.com Contact Person: Ms. Sylvia Mendonca/Ms. Rajalakshmi Vaidyanathan SEBI Registration No.: INM000003531	**IDFC Capital Limited** Naman Chambers C-32, G-Block Bandra Kurla Complex, Bandra (East) Mumbai 400 051 Maharashtra, India Tel: +91 22 6622 2600 Fax: +91 22 6622 2501 Email: repco.ipo@idfc.com Investor Grievance Email: complaints@idfc.com Website: www.idfccapital.com Contact Person: Mr. Hiren Raipancholia SEBI Registration No.: INM000011336	**JM Financial Institutional Securities Private Limited** 141, Maker Chambers III Nariman Point, Mumbai 400 021 Maharashtra, India Tel: + 91 22 6630 3030 Fax: + 91 22 2204 2137 E-mail: repco.ipo@jmfl.com Investor Grievance E-mail: grievance.ibd@jmfl.com Website: www.jmfl.com Contact Person: Ms. Lakshmi Lakshmanan SEBI Registration No.: INM000010361	**Karvy Computershare Private Limited** Plot No. 17 to 24 Vittal Rao Nagar, Madhapur Hyderabad 500 081 Andhra Pradesh, India Tel: +91 40 4465 5000 Fax: +91 40 2343 1551 E-mail: repco.ipo@karvy.com Investor Grievance E-mail: repco.ipo@karvy.com Website: karisma.karvy.com Contact Person: Mr. M Murali Krishna SEBI Registration No.: INR000000221

BID/ISSUE PROGRAMME*

BID/ISSUE OPENING DATE: Wednesday, March 13, 2013*	**BID/ISSUE CLOSING DATE: Friday, March 15, 2013**
	QIB BID/ISSUE CLOSING DATE: Friday, March 15, 2013

**Our Company may consider participation by Anchor Investors. The Anchor Investors shall Bid on the Anchor Investor Bidding Date i.e. one Working Day prior to the Bid/Issue Opening Date.*

TABLE OF CONTENTS

SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, requires or implies, the following terms shall have the meanings set forth below in this Red Herring Prospectus. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

Company Related Terms

Term	Description
"Articles" or "Articles of Association"	The articles of association of our Company, as amended.
Auditor or Statutory Auditor	The statutory auditors of our Company, being M/s R. Subramanian and Co., Chartered Accountants.
"Board" or "Board of Directors"	The board of directors of our Company, as duly constituted from time to time including any committees thereof.
Carlyle	First Carlyle Growth VI.
Corporate Office	Karumuttu Centre, Second Floor - North Wing, Old No: 498, New No: 634 Anna Salai, Nandanam, Chennai 600 035.
Differential Equity Shares	Equity shares with differential rights.
Director(s)	Unless the context requires otherwise, the director(s) on our Board.
Equity Shares	The equity shares of our Company of face value of ₹ 10 each.
ESOP Plan	The employee stock option plan approved by the shareholders on December 28, 2007, for grant of employee stock options. The options that were granted under such employee stock option plan have been surrendered. On September 28, 2011, our Board passed a resolution for termination of such scheme which was approved by the shareholders of our Company by way of a special resolution at the extra-ordinary general meeting of our Company held on February 5, 2013.
ESOP Scheme 2012	The employee stock option scheme as adopted by the Board of Directors on March 8, 2012 which is subject to the approval of the shareholders for grant of options post listing of Equity Shares.
Group Entities	Repco Infrastructure Development Company Limited, Repco MSME Development & Finance Limited, Repco Foundation for Micro Credit, and Repatriates Welfare Trust.
Memorandum	The memorandum of association of our Company, as amended.
"Promoter" or "Repco Bank Limited"	The promoter of our Company, "The Repatriates Co-operative Finance and Development Bank Limited".
Promoter Group	The persons and entities constituting our promoter group pursuant to Regulation 2(1)(zb) of the SEBI ICDR Regulations and as set out in the section titled "*Our Promoter and Group Entities*" beginning on page 121. As on the date of this Red Herring Prospectus there are no individuals or entities that form a part of our promoter group, except our Group Entities.
Registered Office	The registered office of our Company located at Repco Tower, No. 33, North Usman Road, T. Nagar, Chennai 600 017.
SHA	Share purchase, share subscription and shareholders agreement dated December 28, 2007 between Carlyle, Mr. Madhava Menon Shankar Narayanan, Mr. Mahesh Parasuraman, Mr. Nikhil Mohta, Mr. Manish Gaur, our Promoter and our Company, as amended, by letter agreement dated March 18, 2011, the amendment agreement dated May 5, 2011, September 28, 2011, March 29, 2012 and September 29, 2012 between the parties to the share purchase, share subscription and shareholders agreement.
"we", "us", "our", "Company" or "Issuer"	Repco Home Finance Limited, a public limited company incorporated under the Companies Act.

Issue Related Terms

Term	Description
"Allot" or "Allotment" or "Allotted"	The allotment of Equity Shares pursuant to the Issue.
Allottee	A successful Bidder to whom Allotment is made.

Term	Description
Anchor Investor(s)	A QIB, applying under the Anchor Investor Portion, who has Bid for an amount of at least ₹ 100 million.
Anchor Investor Allocation Notice	Notice or intimation of allocation of Equity Shares sent to Anchor Investors who have been allocated Equity Shares, and includes any device, intimation or notice sent to Anchor Investors in the event that the Issue Price is higher than the Anchor Investor Allocation Price.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated in terms of this Red Herring Prospectus and Prospectus to the Anchor Investors, which will be decided by our Company in consultation with the BRLMs on the Anchor Investor Bidding Date.
Anchor Investor Bidding Date	One Working Day prior to the Bid/Issue Opening Date on which Bids by Anchor Investors shall be submitted, prior to or after which the members of the Syndicate will not accept any Bids from Anchor Investors and allocation to Anchor Investors shall be completed.
Anchor Investor Issue Price	The final price at which Allotment will be made to Anchor Investors in terms of the Red Herring Prospectus and Prospectus, which shall be higher than or equal to the Issue Price.
Anchor Investor Pay-in Date	With respect to Anchor Investors, it shall be the Anchor Investor Bidding Date, and, in the event the Anchor Investor Allocation Price is lower than the Issue Price, not later than two Working Days after the Bid/Issue Closing Date.
Anchor Investor Portion	Up to 30% of the QIB Portion, which may be allocated by our Company, in consultation with the BRLMs, to Anchor Investors on a discretionary basis, out of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price.
"ASBA" or "Application Supported by Blocked Amount"	The application (whether physical or electronic) used by an ASBA Bidder to make a Bid authorizing an SCSB to block the Payment Amount in the specified bank account maintained with such SCSB.
ASBA Account	Account maintained with an SCSB which will be blocked by such SCSB to the extent of the Payment Amount specified by an ASBA Bidder.
ASBA Bidder	Any Bidder, other than Anchor Investors, in the Issue who Bids through ASBA.
ASBA Form	The application form, whether physical or electronic, by which an ASBA Bidder can make a Bid, authorising an SCSB to block the Payment Amount in the ASBA Account maintained with such SCSB pursuant to the terms of the Red Herring Prospectus.
ASBA Revision Form	The form used by an ASBA Bidder to modify the quantity of Equity Shares or the Payment Amount in any of its ASBA Forms or previous ASBA Revision Forms (if submitted in physical form).
Bankers to the Issue	The Escrow Collection Banks, Public Issue Account Bank and Refund Bank.
Basis of Allotment	The basis on which the Equity Shares will be allotted as described in "*Issue Procedure – Basis of Allotment*" on page 246.
Bid	An indication to make an offer during the Bidding/Issue Period by a Bidder (other than an Anchor Investor) or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to submission of an ASBA Form or a Bid-cum-Application Form to subscribe for Equity Shares, at a price within the Price Band, including all revisions and modifications thereto, in terms of this Red Herring Prospectus and the Bid-cum-Application Form or ASBA Form, as the case may be.
Bidder	A prospective investor in the Issue, and unless otherwise stated or implied, includes an ASBA Bidder and Anchor Investor.
Bidding	The process of making a Bid.
Bid Amount	The highest value of optional Bids indicated in the Bid-cum-Application Form and payable by the Bidder on submission of a Bid in the Issue, and in case of ASBA Bidders, the amount mentioned in the ASBA Form. In case of Retail Individual Bidders and Eligible Employees Bidding at the Cut-Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder or Eligible Employee and mentioned in the Bid-cum-Application Form.
Bidding Centres	Centres for acceptance of the Bid-cum-Application Forms and Revision Forms and shall include Broker Centres.
Bid-cum-Application Form	The form including the ASBA Form where the context so requires, in terms of which a Bidder makes a Bid in terms of the Red Herring Prospectus which will be considered as an application for Allotment.
Bid/Issue Closing Date	Except in relation to Anchor Investors, the date after which the Syndicate, the SCSBs

Term	Description
	and the Registered Brokers will not accept any Bids, and which shall be notified in an English national daily newspaper, a Hindi national daily newspaper and a Tamil daily newspaper, each with wide circulation and in case of any revision, the extended Bid/Issue Closing Date shall also be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations. Further, our Company, in consultation with the BRLMs, may decide to close Bidding by QIBs one Working Day prior to the Bid/Issue Closing Date.
Bid/Issue Opening Date	Except in relation to Anchor Investors, the date on which the Syndicate, the SCSBs and the Registered Brokers shall start accepting Bids, and which shall be the date notified in an English national daily newspaper, a Hindi national daily newspaper and a Tamil daily newspaper, each with wide circulation.
Bidding/Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date or the QIB Bid/Issue Closing Date, as the case may be (in either case inclusive of such date and the Bid/Issue Opening Date) during which Bidders, other than Anchor Investors, can submit their Bids. Provided however that the Bidding/Issue Period shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors.
Book Building Process	The book building process as described in Part A of Schedule XI of the SEBI ICDR Regulations.
BRLMs	Book running lead managers to the Issue, being SBI Caps, IDFC Capital and JM Financial.
Cap Price	The higher end of the Price Band, in this case being ₹ [●], and any revisions thereof, above which the Issue Price will not be finalised and above which no Bids will be accepted.
CAN	Confirmation of Allotment notice *i.e.* a note or advice or intimation of Allotment of Equity Shares sent to the Bidders to whom Equity Shares have been Allotted. In the case of Anchor Investors CAN shall mean the note or advice or intimation of Allotment of Equity Shares sent to the Anchor Investors to whom Equity Shares have been Allotted.
Controlling Branches	Such branches of the SCSBs which co-ordinate Bids under the Issue by the ASBA Bidders with the Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other websites as may be prescribed by SEBI from time to time.
Cut-Off Price	Any price within the Price Band determined by our Company in consultation with the BRLMs as the Issue Price, at which only the Retail Individual Bidders and Eligible Employees are entitled to Bid for Equity Shares at a Payment Amount not exceeding ₹ 200,000.
Demographic Details	The address, the bank account details, MICR code and occupation of a Bidder.
Depository	A depository registered with SEBI under the Depositories Act.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
"Depository Participant" or "DP"	A depository participant registered with SEBI under the Depositories Act.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other websites as may be prescribed by SEBI from time to time.
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account or the Refund Account, as appropriate, or the funds blocked by the SCSBs are transferred from the ASBA Accounts specified by the ASBA Bidders to the Public Issue Account, as the case may be.
"Designated Stock Exchange" or "DSE"	The National Stock Exchange of India Limited.
"Draft Red Herring Prospectus" or "DRHP"	The draft red herring prospectus dated September 30, 2011 filed with SEBI, prepared and issued by our Company in accordance with the SEBI ICDR Regulations.

Term	Description
Eligible Employee	Permanent and full-time employees of our Company or of our Promoter (including our executive directors and managing director but excluding such other persons not eligible under applicable laws, rules, regulations and guidelines) as at the date of filing of the Red Herring Prospectus with the RoC, who are Indian nationals and based, working and present in India and continue to be in the employment of our Company or of our Promoter, as the case may be, until submission of the Bid-cum-Application Form or the ASBA Form, as the case may be. An employee of our Company or our Promoter who is recruited against a regular vacancy, but is on probation, as on the date of submission of the Bid-cum-Application Form or the ASBA Form, as the case may be, will be deemed to be a 'permanent employee' of our Company or our Promoter, as the case may be.
Employee Discount	Discount of [●]% of the Issue Price, amounting to ₹ [●] per Equity Share, that may be given to the Eligible Employees.
Eligible NRI	An NRI from such a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to bid on the basis of the terms thereof.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby and who have opened demat accounts with SEBI registered qualified depositary participants.
Employee Reservation Portion	Reservation of 180,000 Equity Shares, available for allocation to Eligible Employees on a proportionate basis, which shall not exceed 5% of our Company's post Issue paid-up capital.
Escrow Account(s)	Accounts opened for the Issue to which cheques or drafts are issued by Bidders (excluding ASBA Bidders) in respect of the Payment Amount.
Escrow Agreement	An agreement to be entered into between our Company, the Registrar to the Issue, the Bankers to the Issue, the BRLMs and the Syndicate Members for the collection of Payment Amounts and for remitting refunds, if any, to the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof.
Escrow Collection Banks	The banks which are clearing members and registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994, with whom the Escrow Account(s) will be opened and, in this case being IndusInd Bank Limited, YES Bank Limited and Development Credit Bank Limited.
First Bidder	The Bidder whose name appears first in the Bid-cum-Application Form or Revision Form or the ASBA Form or the ASBA Revision Form.
Floor Price	The lower end of the Price Band below which no Bids will be accepted, in this case being ₹ [●], and any revisions thereof.
IDFC Capital	IDFC Capital Limited.
IPO Grading Agency	ICRA Limited, the credit rating agency appointed by our Company for grading the Issue.
Issue	Public issue of 15,720,262 Equity Shares aggregating to ₹ [●] million by our Company. The Issue includes the Employee Reservation Portion of 180,000 Equity Shares.
Issue Agreement	The agreement entered into on September 29, 2011 between our Company and the BRLMs, as amended by the addendum agreement dated February 13, 2013.
Issue Price	The price at which Allotment will be made, as determined by our Company in consultation with the BRLMs. Unless otherwise stated or the context otherwise implies, the term Issue Price refers to the Issue Price applicable to investors other than Anchor Investors, and with respect to Retail Individual Bidders and Eligible Employees, shall mean the Issue Price net of the Retail Discount and the Employee Discount, respectively.
JM Financial	JM Financial Institutional Securities Private Limited.
Listing Agreements	Listing agreement to be entered into by our Company with each of the Stock Exchanges.
Mutual Fund Portion	5% of the Net QIB Portion or 271,954 Equity Shares available for allocation to Mutual Funds only.
Net Proceeds	Proceeds from the Issue after deduction of Issue expenses.
Net Issue	The Issue less the Employee Reservation Portion.
Net QIB Portion	The QIB Portion less the number of Equity Shares Allotted to the Anchor Investors.
Non-Institutional Bidders	All Bidders (including Sub-Accounts of FIIs which are foreign corporates or foreign

Term	Description
	individuals but not including NRIs, other than Eligible NRIs) that are not QIBs or Retail Individual Bidders or Eligible Employees Bidding under the Employee Reservation Portion, who have Bid for an amount more than ₹ 200,000.
Non-Institutional Portion	The portion of the Issue being not less than 15% of the Net Issue consisting of 2,331,040 Equity Shares, available for allocation to Non-Institutional Bidders, on a proportionate basis.
Pay-in Period	The period commencing on the Bid/Issue Opening Date and extending until the closure of the Anchor Investor Pay-in Date.
Payment Amount	In the case of QIBs and Non-Institutional Bidders, the Bid Amount, and in case of Retail Individual Bidders and Eligible Employees, the Bid Amount less the Retail Discount and Employee Discount, as the case may be.
Price Band	The price band with minimum price being the Floor Price and the maximum price being the Cap Price, including any revisions thereof and advertised in an English national daily newspaper, a Hindi national daily newspaper and a Tamil daily newspaper, each with wide circulation in the place where our Registered Office is situated, at least five Working Days prior to the Bid/Issue Opening Date.
Pricing Date	The date on which the Issue Price is decided by our Company in consultation with the BRLMs.
Prospectus	The prospectus of our Company to be filed with the RoC for the Issue after the Pricing Date, in accordance with Sections 56, 60 and 60B of the Companies Act and the SEBI ICDR Regulations, containing amongst other things, the Issue Price as determined at the end of the Book Building Process, the size of the Issue and certain other information.
Public Issue Account	The bank account opened with the Public Issue Account Banks by our Company under Section 73 of the Companies Act to receive money from the Escrow Accounts and the ASBA Accounts on the Designated Date.
Public Issue Account Banks	The banks which are clearing members and registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 with whom the Public Issue Account(s) will be opened and in this case being Yes Bank Limited
"QFIs" or "Qualified Foreign Investors"	Non-resident investors, other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs, who meet 'know your client' requirements prescribed by SEBI and are resident in a country which is (i) a member of Financial Action Task Force or a member of a group which is a member of Financial Action Task Force; and (ii) a signatory to the International Organization of Securities Commission's Multilateral Memorandum of Understanding or a signatory of a bilateral memorandum of understanding with SEBI. Provided that such non-resident investor shall not be resident in a country which is listed in the public statements issued by Financial Action Task Force from time to time on: (i) jurisdictions having a strategic anti-money laundering/combating the financing of terrorism deficiencies to which counter measures apply; and (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the Financial Action Task Force to address the deficiencies.
"QIBs" or "Qualified Institutional Buyers"	Public financial institutions as defined in Section 4A of the Companies Act, FIIs and Sub-Accounts (other than Sub-Accounts which are foreign corporates or foreign individuals) registered with SEBI, VCFs, FVCIs, Mutual Funds, multilateral and bilateral financial institutions, scheduled commercial banks, state industrial development corporations, insurance companies registered with the IRDA, provident funds and pension funds with a minimum corpus of ₹ 250 million, the NIF, 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; insurance funds set up and managed by the army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, Government of India, eligible for Bidding.
QIB Bid/Issue Closing Date	In the event our Company, in consultation with the BRLMs, decides to close Bidding by QIBs one Working Day prior to the Bid/Issue Closing Date, the date one Working Day prior to the Bid/Issue Closing Date; otherwise it shall be the same as the Bid/Issue Closing Date.
QIB Portion	The portion of the Issue being 50% of the Net Issue or 7,770,130 Equity Shares available for allocation to QIBs (including Anchor Investors) on a proportionate basis.
"Red Herring Prospectus" or	This red herring prospectus issued by our Company in accordance with Sections 56, 60

Term	Description
"RHP"	and 60B of the Companies Act and the SEBI ICDR Regulations, which does not contain, *inter-alia*, complete particulars of the price at which Equity Shares are offered.
Refund Account(s)	The account(s) opened by our Company with the Refund Bank(s), from which refunds of the whole or part of the Payment Amount (excluding the ASBA Bidders), if any, shall be made.
Refund Bank(s)	The banks which are clearing members and registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 with whom the Refund Account(s) will be opened, in this case being Yes Bank Limited.
Registered Broker(s)	Broker(s) registered with the stock exchanges having its office at any of the Registered Broker Centres and shall not include Syndicate and sub-Syndicate members.
Registered Broker Centres	Broker centres as notified by the Stock Exchanges, where Bidders can submit the Bid-cum-Application Forms to a Registered Broker. The details of such broker centres are available on the websites of BSE and NSE at http://www.bseindia.com/ and http://www.nseindia.com/, respectively.
"Registrar" or "Registrar to the Issue"	Karvy Computershare Private Limited.
Retail Discount	Discount of [●]% of the Issue Price, amounting to ₹ [●], that may be given to the Retail Individual Bidders.
Retail Individual Bidders	Individual Bidders (including HUFs and Eligible NRIs), other than Eligible Employees submitting Bids under the Employee Reservation Portion, who have not Bid for a Payment Amount more than ₹ 200,000.
Retail Portion	The portion of the Issue being not less than 35% of the Net Issue, consisting of 5,439,092 Equity Shares, available for allocation to Retail Individual Bidders.
Revision Form	The form used by the Bidders, other than ASBA Bidders, to modify the quantity of Equity Shares or the Payment Amount in any of their Bid-cum-Application Forms or any previous Revision Form(s), as applicable.
SBI Caps	SBI Capital Markets Limited.
"Self Certified Syndicate Banks" or "SCSBs"	The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is available on the SEBI website at the link http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries, and at such other websites as may be prescribed by SEBI from time to time. For details of the Designated Branches with which ASBA Forms can be physically submitted, please refer to the above-mentioned link.
Stock Exchanges	The BSE and the NSE.
Syndicate	The BRLMs and the Syndicate Members.
Syndicate Agreement	The agreement dated [●] between our Company and members of the Syndicate, in relation to the collection of Bids (excluding Bids from ASBA Bidders procured directly by SCSBs).
Syndicate ASBA	A Bid submitted by an ASBA Bidder through the members of the Syndicate or their respective sub-Syndicate members at the Syndicate ASBA Centres instead of the Designated Branches.
Syndicate ASBA Centres	The bidding centres of the members of the Syndicate or their respective sub Syndicate located at the locations of the Registered Brokers and such other centres as may be prescribed by SEBI from time to time, wherein, pursuant to the SEBI circular dated January 23, 2013 bearing no. CIR/CFD/DIL/4/2013, ASBA Bidders are permitted to submit their Bids in physical form.
Syndicate Members	SBICAP Securities Limited, JM Financial Services Private Limited and Sharekhan Limited.
"Transaction Registration Slip" or "TRS"	The slip or document issued by any member of the Syndicate, the SCSBs or the Registered Brokers, as the case may be, to a Bidder upon demand as proof of registration of the Bid.
Underwriters	The BRLMs and the Syndicate Members.
Underwriting Agreement	The agreement to be entered into between the Underwriters and our Company on or immediately after the Pricing Date.
Working Days	Any day other than Saturday or Sunday on which commercial banks in Mumbai are open for business, provided however, for the purposes of the time period between Bid/Issue Closing Date and listing, "Working Days" shall mean all days other than Sundays and bank holidays, in accordance with the SEBI circular dated April 22, 2010.

Conventional or general terms and abbreviations

Abbreviation	Full Form
AGM	Annual General Meeting.
AIFs	Alternative Investment Funds as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India.
A.Y.	Assessment Year.
BAN	Beneficiary Account Number.
BSE	BSE Limited.
CAGR	Compound Annual Growth Rate.
CERSAI	The Central Registry of Securitisation Asset Reconstruction and Security Interest of India.
CDSL	Central Depository Services (India) Limited.
CCPS	Cumulative Fully Convertible Preference Shares.
CIBIL	Credit Information Bureau (India) Limited.
Client ID	Client Identification Number.
Companies Act	Companies Act, 1956, as amended.
DIN	Directors Identification Number.
DP ID	Depository Participant’s Identity.
EGM	Extra ordinary General Meeting.
EPS	Earnings Per Share.
FDI	Foreign Direct Investment, as laid down in the consolidated FDI policy dated April 10, 2012, as amended.
FEMA	Foreign Exchange Management Act, 1999, as amended, together with rules and regulations framed thereunder.
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended.
FII	Foreign institutional investors, as defined under the FII Regulations and registered with SEBI under applicable laws in India.
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended.
FIPB	Foreign Investment Promotion Board.
“Fiscal” or “Financial Year” or “FY”	Period of twelve months ended March 31 of that particular year, unless otherwise stated.
FVCI	Foreign venture capital investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended.
“GoI” or “Government of India” or “Central Government”	The Government of India.
HUF	Hindu Undivided Family.
ICAI	The Institute of Chartered Accountants of India.
IFRS	International Financial Reporting Standards.
IFSC	Indian Financial System Code.
Indian GAAP	Generally accepted accounting principles in India.
IPO	Initial Public Offer.
IRDA	Insurance Regulatory and Development Authority.
IT Act	Income-tax Act, 1961, as amended together with rules framed thereunder.
LIC	The Life Insurance Corporation of India
“Limited Liability Partnership” or “LLP”	Limited Liability Partnership registered under the Partnership Act, 2008.
Ltd.	Limited.
MICR	Magnetic Ink Character Recognition.
MHA	Ministry of Home Affairs
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
N.A.	Not Applicable.
NAV	Net Asset Value.
NECS	National Electronic Clearing System.
NEFT	National Electronic Funds Transfer.
NGO	Non-Governmental Organization.

Abbreviation	Full Form
NHB	National Housing Bank.
NHB Directions, 2010	The Housing Finance Companies (NHB) Directions, 2010, as amended from time to time.
NIF	National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India.
No.	Number.
NOC	No-Objection Certificate.
NRE Account	Non-Resident External Account.
NRI	A person resident outside India, as defined under FEMA and who is a citizen of India or a person of Indian origin, such term as defined under the Foreign Exchange Management (Deposit) Regulations, 2000.
NRO Account	Non-Resident Ordinary Account.
"NR" or "Non Resident"	A person resident outside India, as defined under FEMA, including an Eligible NRI and an FII.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
OCBs	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% 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 was eligible to undertake transactions pursuant to the general permission granted to OCBs under FEMA.
p.a.	Per annum.
PAN	Permanent Account Number allotted under the IT Act.
PAT	Profit after tax.
P/E Ratio	Price/Earnings Ratio.
PF Act	The Employees Provident Fund and Miscellaneous Provisions Act, 1952.
RBI	Reserve Bank of India.
"RoC" or "Registrar of Companies"	Registrar of Companies, Tamil Nadu, Chennai.
"₹" or "Rupees" or "Rs."	Indian Rupees.
RTGS	Real Time Gross Settlement.
SARFAESI Act	Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, as amended.
SCRA	Securities Contracts (Regulation) Act, 1956, as amended.
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended.
SEBI	The Securities and Exchange Board of India established under the SEBI Act.
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended.
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI ESOP Guidelines	SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended.
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended.
Sq. ft.	Square foot.
Sq. mt.	Square metre.
State government	The government of a state of Republic of India.
Sub-Account	Sub-accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporates or foreign individuals.
Takeover Code	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
TAN	Tax Deduction Account Number allotted under the IT Act.
U.S. GAAP	Generally accepted accounting principles in the United States of America.
"U.S." or "United States" or "U.S.A"	The United States of America, together with its territories and possessions.
U.S Securities Act	U.S. Securities Act of 1933 as amended.
VCFs	Venture Capital Funds as defined and registered with SEBI under the Securities and

Abbreviation	Full Form
	Exchange Board of India (Venture Capital Fund) Regulations, 1996.

Industry Related Terms, Definitions and Abbreviations

The words and expressions used in this Red Herring Prospectus but not defined herein shall have the same meaning as is assigned to such words and expressions under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms (including any of the above terms and abbreviations) used in the sections titled "Main Provisions of the Articles of Association", "Statement of Tax Benefits" and "Financial Statements" on pages 256, 54 and 129 respectively, have the meanings given to such terms in these respective sections.

Abbreviation	Full Form
ALCO	Asset Liability Management Committee
ALM Guidelines	Guidelines for Asset Liability Management System for housing finance institutions
ALM Policy	Asset Liability Management policy in accordance with NHB's circular no. NHB (ND)/HFC (DRS-REG)/ALM/35/2010 dated October 11, 2010
CIBIL	Credit Information Bureau (India) Limited
CRAR	Capital to Risk Weighted Assets Ratio
CRISIL	CRISIL Limited
DRT	Debt Recovery Tribunal
EMI	Equated Monthly Instalments
HFCs	Housing Finance Companies
IIR	Instalment to Income Ratio
KYC	Know Your Customer
LTV	Loan to Value
NBFCs	Non Banking Finance Companies
NIM	Net Interest Margin
NPAs	Non Performing Assets

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

Currency of Presentation

All references to "Rupees" or "₹" or "Rs." are to Indian Rupees, the official currency of the Republic of India. Except where specified in the Red Herring Prospectus, all figures have been expressed in "million" which means "10 lakhs". All references to "US $", "US Dollar", "USD" are to United States Dollars, the official currency of United States of America.

Financial Data

Unless stated otherwise, the financial information in this Red Herring Prospectus is derived from our restated financial statements as of and for the Fiscals 2008, 2009, 2010, 2011, 2012 and for six month period ended September 30, 2012 and September 30, 2011 and the related notes, schedules and annexures thereto included in the section "*Financial Statements*" appearing elsewhere in this Red Herring Prospectus, which have been prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations, and as described in the Auditor's report on the restated financial statements dated February 4, 2013. Unless otherwise stated, the financial information used in this Red Herring Prospectus has been derived from the restated financial statements of the Company.

Our Company's fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal are to the twelve month period ended March 31 of that year, unless otherwise specified.

All financial and statistical information in this document have been presented in millions or in whole numbers where the numbers have been too small to present in millions, unless stated otherwise.

We prepare our financial statements in accordance with Indian GAAP, which differs in certain material respects from IFRS and U.S. GAAP. Accordingly, the degree to which the Indian GAAP financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with the Companies Act, Indian GAAP and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Red Herring Prospectus, nor do we provide reconciliation of our financial statements to those under U.S. GAAP or IFRS and we urge you to consult your own advisors regarding such differences and their impact on our financial data. For details in connection with risks involving difference between Indian GAAP and IFRS, please see *"Risk Factor-Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to an investor's assessment of our Company's financial condition and results of operations. Our Company will be required to prepare its financial statements in accordance with IFRS converged standards with effect from April 1, 2014"* in the section titled "*Risk Factors*" on page xxviii.

In this Red Herring Prospectus, any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off.

Market and Industry Data

Unless stated otherwise, market and industry data used in this Red Herring Prospectus has generally been obtained or derived from industry publications and sources. These publications typically state that the information contained therein has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made based on such information. Although we believe that industry data used in this Red Herring Prospectus is reliable, it has not been independently verified by us.

The extent to which the market and industry data used in this Red Herring 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 housing finance industry in India and methodologies and assumptions may vary widely among different industry sources.

FORWARD-LOOKING STATEMENTS

This Red Herring Prospectus contains certain "forward-looking statements". These forward-looking statements can generally be identified by words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" and similar expressions or variations of such expressions.

All statements contained in this Red Herring Prospectus that are not statements of historical fact constitute "forward-looking statements." All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements.

Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

Further, the actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the housing finance industry in India in which we operate and our ability to respond to them.

Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Our ability to respond to slowdown in general economic growth in India and globally;
- Our ability to manage our credit quality;
- Interest rates and inflation;
- Our ability to respond to any adverse changes in regulatory policies;
- Our ability to respond to competition;
- Other risk factors discussed in this Red Herring Prospectus including those set forth in the section titled "*Risk Factors*" on page xiii.

By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Our Company, the Directors, the Syndicate and their respective affiliates or associates do not have any obligation to, and do not intend 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 requirements, our Company and the BRLMs will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permissions by the Stock Exchanges for the Equity Shares allotted pursuant to the Issue.

Similarly, statements that describe our objectives, strategies, plans or goals are also forward looking statements. All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause our actual results to differ materially from those contemplated by the relevant forward looking statement.

For a further discussion of factors that could cause our actual results to differ, see the sections titled "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages xiii, 76 and 130, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Forward looking statements speak only as of the date of this Red Herring Prospectus. None of our Company, our Directors, our officers, any Underwriter, or any of their respective affiliates or associates has any obligation to update or otherwise revise any statement 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.

SECTION II – RISK FACTORS

An investment in the Equity Shares involves a high degree of risk and you should not invest any funds in the Issue unless you can afford to take a risk of losing all or a part of your investment. You should carefully consider all the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares.

We have described the risks and uncertainties that our management believes are material, but these risks and uncertainties may not be the only ones we face. If any or some combination of the following risks or additional risks and uncertainties, including those we are not aware of or deem immaterial, materialise, it may also result in decreased revenues, increased expenses or other events that could result in a decline in the value of the Equity Shares and investors could lose all or a part of their investments. In making an investment decision, prospective investors must rely on their own examination of us and the Issue. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Investors are advised to read the risk factors carefully before making an investment decision in this Issue.

This Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including considerations described below and in the section entitled "Forward Looking Statements" on page xii.

To obtain a better understanding of our business, you should read this section in conjunction with the other sections of this Red Herring Prospectus including the sections entitled "Our Business", "Management's Discussion and Analysis of Financial Conditions and Results of Operations" and "Financial Statements" beginning on pages 76, 130 and 129, respectively, together with all other financial information contained in this Red Herring Prospectus.

INTERNAL RISK FACTORS

Risks relating to our Business and Operations

1. ***There are outstanding legal proceedings and claims against us, and our Promoter, and any adverse decision in such proceedings may have a material adverse effect on our business, result of operations and financial condition.***

   Our Company and our Promoter are currently involved in certain proceedings and claims in India pending at different levels of adjudication before various authorities. The table below sets forth certain information with respect to legal proceedings that are against us and our Promoter:

Category	Criminal proceedings	Securities law proceedings	Civil proceedings	Tax proceedings	Labour cases	Consumer cases	Other proceedings/ Notices, etc.	Total Amount involved (₹ in million)
Company	Nil	Nil	14	Nil	Nil	5	Nil	24.06
Directors	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Promoter	Nil	Nil	15	Nil	Nil	Nil	Nil	228.28
Group Entities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Below are the brief details of the civil proceedings pending against our Company and Promoter:

I. Civil proceedings against the Company:

i. There are eight civil proceedings initiated against our Company at various forums by different parties seeking permanent and/or temporary injunction restraining our Company, amongst other things, from initiating any recovery proceedings against the petitioner, causing any interference to the property in suit which has been provided as security to the Company, taking forceful possession of the suit premises or selling the share of plaintiff's property, making any collection of the post dated cheques, etc.

ii. There are four other civil proceedings initiated against our Company seeking partition of the suit property on the ground that the petitioner has first charge over the property in the suit which was mortgaged to our Company by other party or sale of the suit property on the ground of insolvency proceedings initiated by the petitioner against the person whose property was mortgaged in favour of our Company.

iii. There is one appeal which has been preferred by the appellant before the Debt Recovery Appellate Tribunal seeking setting aside the order passed by the Chief Judicial Magistrate in connection with non-payment of alleged dues owed to our Company and possession of the property mortgaged in favour of our Company by the appellant.

iv. There is one appeal which has been preferred by the appellant before the Debt Recovery Appellate Tribunal seeking setting aside the order passed by the Debt Recovery Tribunal in connection with non-payment of alleged dues owed to our Company and seeking interim stay on any further proceedings that may be initiated by our Company under SARFAESI Act.

II. Civil proceedings against the Promoter:

i. There are two civil proceedings initiated against the Promoter at various forums by different parties seeking permanent and/or temporary injunction restraining our Promoter from, amongst other things initiate sale of properties through public auction or initiation of proceedings under SARFAESI Act.

ii. There are three writ petitions which have been filed against the Promoter before the High Court of Madras seeking stay on the public auction of sale of land and stay on initiation of securitization proceedings by our Promoter.

iii. Our Promoter has been impleaded as a party in two partition suits for partition of the property which has been mortgaged in favour of the Promoter, four appeals and one application have been filed against the Promoter seeking stay on initiation of proceedings under the SARFAESI Act by our Promoter, a suit has been filed before the High Court of Madras in connection with the eviction notice/s sent by our Promoter to the Plaintiff to vacate the property situated at Chennai, two applications have been filed seeking sale of mortgaged properties by our Promoter and other proceedings initiated by our Promoter as null and void.

In case there are any adverse rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements which could adversely affect our profitability.

As on September 30, 2012, our total contingent liabilities were ₹ 4.14 million in relation to our pending legal proceedings. We have not provided for these contingent liabilities in our restated financial statements.

We can give no assurance that these legal proceedings will be decided in our favour or in favour of our Promoter. Any adverse outcome in any or all of these proceedings may have a material adverse effect on our business, results of operations and financial condition.

For further information relating to these proceedings, please see the section titled "*Outstanding Litigation and Material Developments*" beginning on page 169.

2. We have experienced continuous growth in the past. Amongst other things, our outstanding loan portfolio has grown at a CAGR of 43.81% from March 31, 2008 to March 31, 2012. We cannot assure you that we will be able to sustain our growth including the growth of our outstanding loan portfolio at historical rates, or at all, in the future, which may in turn have a material adverse effect on our business, results of operations and financial condition.

Our business has steadily expanded in the past. Our outstanding loan portfolio has grown at a CAGR of 43.81% from ₹ 6,550.83 million as of March 31, 2008 to ₹ 28,021.55 million as of March 31, 2012 and has grown by 35.14% from ₹ 20,735.22 million as of March 31, 2011 to ₹ 28,021.55 million as of March 31, 2012 and by 27.55% from ₹ 24,286.95 million as at September 30, 2011 to ₹ 30,978.03 million as at September 30, 2012.

Our revenue from operations has grown at a CAGR of 46.69% from ₹ 688.63 million in Fiscal 2008 to ₹ 3,188.15 million in Fiscal 2012 and has grown by 41.36% from ₹ 2,255.37 million in Fiscal 2011 to ₹ 3,188.15 million in Fiscal 2012 and by 29.79% from ₹ 1,454.70 million for six months period ended September 30, 2011 to ₹ 1,888 million for six months period ended September 30, 2012.

Our PAT has grown at a CAGR of 45.47% from ₹ 150.87 million for Fiscal 2008 to ₹ 675.64 million for Fiscal 2012 and has grown by 19.36% from ₹ 566.04 million in Fiscal 2011 to ₹ 675.64 million in Fiscal 2012 and by 10.18% from ₹ 323.23 million for six months period ended September 30, 2011 to ₹ 356.14 million for six months period ended September 30, 2012.

Our future growth depends on a number of internal and external factors, including (i) the increase in demand for housing loans in India, (ii) competition, (iii) our ability to expand geographically, (iv) diversify our product offerings, (v) regulatory changes, (vi) our managerial, technical and operational capabilities, (vii) the allocation of our resources, and (viii) our information and risk management systems. In addition, we may be required to manage relationships with a larger number of customers, third party agents, lenders and other parties.

Our business depends significantly on our marketing initiatives including advertising, conducting localised loan camps and in maintaining competitive rates of interest. There can be no assurance in relation to the impact of such initiatives or that we would be able to continue such initiatives in the future in a similar manner and on commercially viable terms. Also, we believe that our marketing is significantly driven by word of mouth referrals by our existing customers. Any negative experiences of customers, particularly during the course of loan servicing and/or loan enforcement, could adversely affect our business and financial condition.

Further, we cannot assure you that we will not experience issues such as capital constraints, difficulties in expanding our existing business and operations, maintain our competitive rates of interest and hiring and training of new personnel in order to manage and operate our expanded business.

We cannot assure you that we will be able to sustain our growth or that we will be able to further expand our loan portfolio. Any or a combination of some or all of the above-mentioned factors may result in a failure to maintain the growth of our loan portfolio, which may in turn have a material adverse affect on our business, results of operations and financial condition.

3. ***Our business is particularly vulnerable to volatility and mismatch in interest rates, which could be inter-alia due to the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions. Any volatility in our rates of borrowing and lending may adversely affect our NIM which may in turn have a material adverse effect on our business, results of operations and financial condition.***

Our operations are particularly vulnerable to volatility and mismatch in interest rates. Interest rates have been highly volatile due to many factors some or all of which may be beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions. Our NIM 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. If interest rates decline, we may have to pass on the reduced interest rates to our borrowers even though we may not be able to get a reduction in the interest rates from some or all of our lenders, simultaneously or at all, thereby affecting our NIM. 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 NIM. 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 interest rates could reduce the overall demand for housing finance and impact the growth of our Company.

Our total borrowings outstanding as on September 30, 2012, March 31, 2012 and 2011 was ₹ 27,352.76 million, ₹ 24,860.43 million and ₹ 18,097.93 million, respectively. Though we have maintained a NIM of 3.82%, 4.20% and 4.85% in the six months period ended September 30, 2012 and Fiscals 2012 and 2011, respectively, 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 NIM which could in turn have a material adverse effect on our business, results of operations and financial condition.

4. ***Our business prospects and continued growth depends on our ability to access financing at competitive rates and competitive terms, which amongst other factors is dependent on our credit rating. We may not be able to avail the requisite amount of financing or obtain financing at competitive interest rates for our growth plans and cannot assure that the current credit ratings of our Company will not be downgraded or suspended in the future, which could have a material adverse affect on our business, results of operations and financial condition.***

Our business depends and will continue to depend on our ability to access funding sources at competitive rates. Our ability to raise funds on acceptable and competitive terms is a function of various factors including, amongst others, our current and future results of operations and financial condition, our risk management policies, our credit rating, our brand equity and policy initiatives in India and developments in the international markets affecting the Indian economy.

The financing for our Company consists of loans from scheduled commercial banks, refinance from NHB, and borrowings from our Promoter. Our continued growth will depend, among other things, on our ability to avail requisite financing and at competitive interest rates. As at September 30, 2012, 44.40% of our financing was from loans from scheduled commercial banks, 44.33% was from refinancing from NHB, and 11.27% was from borrowings from our Promoter. Our inability to secure the requisite financing and at competitive interest rates could have an adverse effect on our business, results of operations and financial condition.

The cost and availability of capital is, amongst other factors, also dependent on our rating. Our Company is currently rated by ICRA Limited as "[ICRA]A+" with a "stable outlook" for the term loan facilities of our Company aggregating to ₹ 2,974.80 million as on January 30, 2013 and the rating is valid till May 31, 2013 and has not been downgraded or suspended. Ratings reflect a rating agency's opinion of financial strength, operating performance, strategic position, and ability to meet obligations. Any downgrade or suspension of existing and/or future credit ratings would increase borrowing costs and constrain access to capital and debt markets and, as a result, would negatively affect the business and the results of operations and financial condition of our Company. In addition, downgrading or suspension of our existing credit ratings could increase the possibility of additional and more onerous terms and conditions (including restrictive covenants) being added to any new or existing financing arrangements, which could again affect the results of operations and financial condition of our Company.

Any inability to secure sufficient funding on favourable terms or at all could have a material adverse effect on our business, results of operations and financial condition.

5. ***Our funding is concentrated amongst a few lenders, particularly NHB and our Promoter, and impairment of our relationship with any, or all, of such lenders or our inability to secure loans on favourable terms from such lenders in the future, may have a material adverse effect on our business, results of operations and financial condition.***

Our total long term borrowings (including current maturities of long term borrowings) outstanding as on September 30, 2012 from NHB, our Promoter and other scheduled commercial banks amounted to ₹ 24,286.15 million constituting 88.79% of our total loans outstanding as at that date. Further, as on September 30, 2012, our borrowings from NHB and our Promoter amounted to ₹ 12,126.37 million and ₹ 3,082.87 million, respectively, constituting 44.33% and 11.27% of our total loans outstanding as at that date.

We may have difficulty in obtaining funding on acceptable terms from these or other lenders and other sources which we have not accessed so far such as public deposits. Any impairment of our relationship with any, or all, of our lenders such as by a default on the loans secured from such lenders including NHB and our Promoter or our inability to secure loans on favourable terms from such lenders in future may have a material adverse effect on our business, results of operations and financial condition. For further details, please see the section titled "*Financial Indebtedness*" beginning on page 157.

6. ***If we are unable to manage the level of NPAs in our loan portfolio, this may have a material effect on our business, results of operations and financial condition.***

As on March 31, 2012, our net NPAs were ₹ 264.68 million or 0.95% of net advances, compared to net NPAs of ₹ 197.30 million or 0.95% of net advances as on March 31, 2011. As on September 30, 2012, our net NPAs were ₹ 489.96 million or 1.60% of net advances, compared to net NPAs of ₹ 332.92 million or 1.38% of net advances as on September 30, 2011. Even though we consider the level of NPAs to be within an acceptable level, there is no assurance that the NPA level will continue to stay at its current level or decline. If the quality of our loan portfolio deteriorates or we are unable to implement effective credit appraisal, credit monitoring, collection and/or recovery methods, our financial condition and results of operations may be affected.

The NHB guidelines prescribe the provisioning required in respect of our outstanding loan portfolio. Should the overall credit quality of our loan portfolio deteriorate, the current level of our provisions may not be adequate to cover further increases in the amount of our NPAs. Our provisions for NPAs were ₹ 166.15 million as on September 30, 2012, ₹ 118.12 million as on March 31, 2012 and ₹ 54.60 million as on March 31, 2011, which represented 25.32%, 30.84% and 21.68%, respectively, of gross NPAs as on those dates.

We have expanded rapidly in the three years ended March 31, 2012 and intend to continue our efforts to originate new housing loans, which may result in higher NPAs in the future on account of new loans made or on account of non payment of instalments or equated monthly instalments. There can be no assurance that our provisions will be adequate to cover any further increase in the amount of NPAs or any deterioration in our NPAs on account of existing or new loans made. If we are required to increase our provisioning in the future due to increased loan losses, this may result in a reduction of our net worth, and adversely affect our capital adequacy ratio which may require us to raise further capital to maintain our capital adequacy ratio.

Further, provisioning norms may be revised by NHB and become more stringent. For instance, the NHB Directions, 2010 have been amended by notification no. NHB.HFC.DIR.3/CMD/2011 dated August 5, 2011 and further amended by NHB *vide* notification no. NHB.HFC.DIR.4/CMD/2012 dated January 19, 2012, and this has, amongst other things, increased provisioning norms for HFCs. Due to the aforementioned changes in the provisioning requirements of NHB, our Company has changed its provision policy relating to the non-performing advances. Our provisions for NPAs in Fiscal 2012 and 2011 was ₹ 63.53 million and ₹ 16.12 million, respectively. For further details, please see the section titled *"Regulations and Policies*" beginning on page 90.

Further, there can be no assurance that we will be able to recover any or all the outstanding amounts due under any of the defaulted loans and may not able to realise the expected value of the collateral. Any or a combination of some or all of these factors may have material adverse affect on our business, results of operations and financial condition.

7. ***The primary security for the loans disbursed by our Company is the underlying property. In the event of default, we may not be able to realize the expected value of the collateral on loans due to fluctuating real estate prices and/or enforce the security under the SARFAESI Act in time or at all in the event of default and this may have a material adverse effect on our business, results of operations and financial condition.***

The primary security for the loans disbursed by our Company is the underlying property and the value of this security is largely dependent on housing market conditions prevalent at that time. The value of the collateral on the loans disbursed by our Company may decline due to adverse market conditions including an economic downturn or a downward movement in real estate prices. Failure to recover the expected value of collateral could expose our Company to losses and, in turn, result in a material adverse effect on our business, results of operations and financial condition.

Following the introduction of the SARFAESI Act and the subsequent extension of its application to HFCs, we are allowed to foreclose on collaterals after 60 days' notice to a borrower whose loan has been classified as non-performing. Although the enactment of the SARFAESI Act has strengthened the rights of creditors by allowing expedited enforcement of security in an event of default, there is still no assurance that we will be able to realize the value of our security, in full or in part. For instance, in a case before the Supreme Court of India in 2004, while the constitutional validity of the SARFAESI Act was affirmed, the right of a defaulting borrower to appeal to the DRT in relation to an action under the SARFAESI Act was also affirmed. The DRT has the power to issue a stay order prohibiting the lender from selling the assets of a defaulted borrower. As a result, there can be no assurance that any foreclosure proceedings would not be stayed by the DRT or any other relevant authority. In addition, delays on our part to take immediate action, delays in bankruptcy foreclosure proceedings, economic downturns, defects in security and fraudulent transfers by borrowers, may hinder our ability to realize the full value of security. In the event that a regulatory agency asserts jurisdiction over the enforcement proceedings, creditor actions can be further delayed.

The table below represents the number of cases under the SARFAESI Act and the actual value of the collateral recovered due to such proceedings:

Sr. No.	**Cases filed**		**Cases pending**		**Cases where amount recovered is lower than amount outstanding**		
	No. of cases	**Amount outstanding *(₹ in million)***	**No. of cases**	**Amount outstanding *(₹ in million)***	**No. of cases**	**Amount outstanding *(₹ in million)***	**Amount recovered *(₹ in million)***
For the period between April 1, 2012 to September 30, 2012							
1.	14	17	10	1.46	2	3.45	2.30
For the period between April 1, 2011 to March 31, 2012							
2.	48	84.20	31	48.20	2	3.31	2.92
For the period between April 1, 2010 to March 31, 2011							
3.	70	112.70	16	38.21	6	4.42	Nil
For the period between April 1, 2009 to March 31, 2010							
4.	46	52.80	18	22.60	6	7.25	3.92

Therefore there can be no assurance that we will be able to foreclose on collaterals on a timely basis, or at all, and if we are able to foreclose on the collaterals, that the value will be sufficient to cover the outstanding amounts owed to us. For further details, please see the section titled "*Outstanding Litigation and Material Developments*" beginning on page 169.

8. ***We are subject to NHB regulations in relation to minimum capital adequacy requirements and a decline in our CRAR will require us to raise fresh capital which may not be available on favourable terms, or at all, which may affect our business, results of operations and financial condition.***

In India, pursuant to NHB Directions, 2010, HFCs are currently required to maintain a minimum capital adequacy ratio consisting of Tier I and Tier II capital which collectively shall not be less than 12% of their aggregate risk weighted assets and their risk adjusted value of off-balance sheet items. According to the NHB Directions, 2010, at no point can our total Tier II capital exceed 100% of the Tier I capital. For further details, please see the section titled "*Regulations and Policies*" beginning on page 90. This ratio is used to measure an HFC's capital strength and to promote the stability and efficiency of the housing finance system. As at September 30, 2012, our capital adequacy ratio was 15.94%, which exceeded NHB's requirements. As our asset book grows our CRAR may decline and this may require us to raise fresh capital. There is no assurance that NHB will not increase the minimum capital adequacy requirements. Should we be required to raise additional capital in the future in order to maintain our CRAR above the existing and future minimum required levels, we cannot guarantee that we will be able to obtain this capital on favourable terms, in a timely manner or at all.

Therefore, there is no guarantee that our Company will be able to access capital as and when required for growth. If we fail to meet the capital adequacy requirements, NHB may take certain actions, including but not limited to restricting our lending activities, investment activities, and suspending certain of our activities and imposing restrictions on the payment of dividends. These actions could materially and adversely affect our business, results of operations and financial condition.

9. Certain investigations are pending against our erstwhile managing director and erstwhile executive director and the outcome of such investigations, if adverse, may affect the reputation of our Company

The Central Bureau of Investigation (the "**CBI**") had issued summons dated May 5, 2011 under section 91 of the Criminal Procedure Code, 1973 which requisitioned information and documents in relation to the remuneration of Mr. M. Balasubramanian (in his erstwhile capacity as the managing director of our Company and of our Promoter). Thereafter, the CBI submitted a confidential investigation report to our Promoter in relation to (i) the revision and payment of remuneration to M. Balasubramanian, in his capacity as the erstwhile managing director (the "**erstwhile MD**") of our Company and the Promoter, (ii) the payment of remuneration to Mr. S.V. Balasubramanian, in his capacity as the erstwhile Executive Director of our Company (the " **erstwhile ED**"), and (iii) the erstwhile MD's alleged improper sanction of certain loans from the Promoter to his relatives.

The total amount allegedly misappropriated by the erstwhile MD by claiming *inter-alia* excess pay, ex–gratia payments, excess performance incentive and notional interest loss without the approval of our shareholders aggregating to ₹ 8.97 million. Similarly, the amount allegedly misappropriated by the erstwhile ED by claiming ex–gratia payments and excess performance incentives was ₹ 0.32 million and the notional interest loss on the aforesaid components was ₹ 0.13 million, aggregating to ₹ 0.45 million.

Further the erstwhile MD, in his capacity as the managing director of the Promoter, allegedly improperly sanctioned certain loans from our Promoter to his relatives resulting in losses aggregating to ₹ 13.55 million to our Promoter.

The CBI requested sanction for the prosecution of erstwhile ED under Section 19(1) of the Prevention of Corruption Act, 1988 (the "**PCA**"). This agenda was placed in the 56th meeting of the Board held on November 1, 2011 and the same was deferred to enable the Government of India to examine the matter. The MHA by its letter dated November 29, 2011 (No. 10/3/2003-RHS/MD) advised the Company to take necessary action to sanction the prosecution of the erstwhile ED. Further, the MHA by its letter dated January 16, 2012 stated that the continuance of the erstwhile ED would not be in the interest of the Company and advised that the matter regarding the removal of the erstwhile ED in addition to sanctioning his prosecution may be resubmitted to the Board for their consideration.

The Board at its 57th meeting of the Board held on December 8, 2011 took cognizance of the allegations set out in the CBI Report and granted sanction for prosecution of the erstwhile ED for offences punishable under Section 120B read with Section 420 of Indian Penal Code, 1860, and Section 13(2) read with Section 13(1)(d) of PCA. The Board also recognised that the erstwhile ED had refunded an amount of ₹ 0.32 million to the Company on October 29, 2011.

The Board recommended to the shareholders to accord sanction to the prosecution of the erstwhile ED for the offences set out in the paragraphs above and resolved to convene an extraordinary general meeting at a shorter notice. The shareholders, at the meeting held on December 8, 2011, accorded sanction for the prosecution of the erstwhile ED under section 19(1) of the PCA. The ED tendered his resignation from our Company on February 2, 2012 with effect from February 29, 2012.

We have not received any further intimation regarding the matter from CBI or from any other regulatory or judicial authority. We cannot assure you of the outcome of this matter and it may result in an adverse effect on the reputation of our Company.

10. Certain housing loans offered by HFCs are eligible for refinance at concessional rates from NHB and eligible for fiscal incentives by the Government of India. If some or all of these incentives or refinance at

concessional rates are reduced or withdrawn, this may result in a material adverse effect on business, results of operations and financial condition.

The NHB has been extending refinance at concessional rates to HFCs under the rural housing finance schemes aimed at providing housing loan to borrowers of certain segments. As at September 30, 2012, the aggregate amount outstanding in relation to such loans availed by us from the NHB was ₹ 12,126.37 million.

Further, the Government has been providing certain fiscal incentives to the housing finance industry. Pursuant to Section 36(1)(viii) of the IT Act subject to fulfilment of conditions therein, the lower of (i) amount transferred to a special reserve account created for the purpose of the said section, (ii) 20% of the profits derived from the business activities as computed under section 28 of the IT Act but before claiming deduction under the said section, or (iii) 200% of the paid-up share capital and general reserve on the last day of the previous year minus the balance of the special reserve account on the first day of the previous year, is allowed as a deduction and is not subject to income tax.

Transfer made to the aforesaid special reserve, in Fiscal 2012, stood at ₹ 197.11 million, *i.e.* 20% of profits from the provision of long-term finance for the construction or purchase of housing in India and our effective tax rate for the Fiscal 2012 was 22.99%. For further details in connection with incentives available to our Company, please see the section titled "*Statement of Tax Benefits*" beginning on page 54.

If some or all of these incentives or refinance at concessional rates cease to be available to HFCs, this may have an adverse effect on our business, financial condition and results of operations.

11. ***Increasing competition in the Indian housing finance industry and our inability to effectively compete with other organisations operating in the housing finance industry may result in slower growth and/or a decline in our profitability which may have a material adverse effect on our business, results of operations and financial condition.***

Our Company faces competition from other organisations operating in the housing financing industry in India, including without limitation to scheduled commercial banks and other HFCs. The sector has also seen a lot of interest from new entrants who have commenced their housing finance business in recent times. The seeming attractiveness of and growth opportunities in the housing finance industry have resulted in increased competition from other lenders in the housing finance market, including scheduled commercial banks and other HFCs. Our ability to compete effectively with such lenders will depend, to some extent, on our ability to raise low cost funding in the future and to lend at competitive rates to maintain our profitability. If we are unable to compete effectively with other participants in the housing finance industry, our business and future financial performance may be adversely affected.

We believe, our principal competitors are LIC Housing Finance Limited, Housing Development Finance Corporation Limited, Dewan Housing Finance Corporation Limited, Sundaram BNP Paribas Home Finance Limited and Gruh Finance Limited.

Furthermore, as a result of increased competition in the housing finance industry in India, home loans are becoming increasingly standardised and terms such as waiver of prepayment penalty, floating rate interest options, lower processing fees and monthly rest periods are becoming increasingly common. 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 housing finance industry. Increasing competition may also result in slower growth and/or a reduction in our NIM, and consequently may have an adverse effect on our business, results of operations and financial condition.

Certain banks and HFCs, have in the past, introduced teaser rate home loan schemes, wherein the interest rates are fixed for a pre-determined period of time and relatively lower than prevailing market rates, with a view to attract new customers. Such teaser rate schemes introduced by our competitors may result in an increase in pre-payment of loans and may have an adverse effect on our business, results of operations and financial condition.

12. ***We depend on the accuracy and completeness of information provided by our potential borrowers. For ascertaining the creditworthiness and encumbrances on collateral we depend on registrar and sub-registrar of assurances, CIBIL, and on independent valuers and advocates in relation to the value of the collateral, and our reliance on any misleading information given may affect our judgement of credit worthiness of potential borrowers, and the value of and title to the collateral, which may affect our business, results of operations and financial condition.***

    In deciding whether to extend credit or enter into other transactions with potential borrowers, we rely on information furnished to us by potential borrowers, independent valuers and advocates. To further verify the information provided by potential borrowers, we conduct searches with CIBIL for creditworthiness and encumbrances on collateral. We also verify information with registrar and sub-registrar of assurances for encumbrances on collateral. We follow the KYC guidelines as prescribed by the NHB on the potential borrower, collect opinions from other financial institutions, verify the place of business or place of employment as applicable to the potential borrower and also verify the details with the caution list of NHB as circulated from time to time. Such information includes representations with respect to the accuracy and completeness of information relating to the financial condition of potential borrowers, and independent valuation reports and title reports with respect to the property secured. Also, we have framed our policies to prevent frauds in accordance with the KYC guidelines issued by NHB dated October 11, 2010 mandating the policies of the HFC to have certain key elements, including *inter-alia* a customer acceptance policy, customer identification procedures, monitoring of transactions and risk management. Further our Company has a well established and streamlined credit appraisal process. Our Company carries out a credit appraisal at two levels – one at the branch level and the other at the head office. We cannot assure you that information furnished to us by potential borrowers and independent valuers or the independent searches conducted by us with CIBIL and NHB will be accurate, and our reliance on such information given may affect our judgement of the credit worthiness of potential borrowers, and the value of and title to the collateral. For details please refer to the section "*Our Business - Credit Appraisal*" on page 83.

    The total amount written off on account of instances of frauds during the period between April 1, 2008 to December 31, 2012 was ₹ 4.49 million.

13. ***We have experienced incidents of fraud in the past and may experience such frauds in the future as well, which may have a material adverse effect on our business, results of operations and financial condition.***

    Since inception till December 31, 2012, we have faced 14 instances of fraud. The total amount disbursed in respect of these fraud cases is ₹ 38.01 million. Till December 31, 2012, our Company has written off ₹ 4.49 million on account of these fraud cases. As on December 31, 2012, the amount outstanding in respect of these fraud cases is ₹ 28.92 million, against which our Company has provided for ₹ 28.92 million.

    We have also dismissed two branch managers from their services who were involved in fraud. Further to avoid such instances of fraud we have tightened our scrutiny of legal documentation and verification procedures. For details in connection with scrutiny of legal documentation and verification procedures, please see section titled "*Our Business*" beginning on page 76.

    Whilst we have regularly taken steps to strengthen internal control, credit appraisal, risk management and fraud detection procedures, there can be no assurance that these steps will be sufficient to prevent further instances of fraud. This may have a material adverse effect on our business, results of our operations and financial condition.

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

    The operations of a HFC in India are subject to various regulations framed by the Ministry of Corporate Affairs and the NHB, amongst others. We are also subject to the corporate, taxation and other laws in effect in India which require continued monitoring and compliance. These regulations apart from regulating the manner in which a company carries out its business and internal operation, prescribe, various periodical compliances including but not limited to filing of forms and declarations with the relevant registrar of companies, and the NHB. Pursuant to NHB regulations, HFCs are currently required to maintain a minimum CRAR consisting of

Tier I and Tier II capital which collectively shall not be less than 12% of their aggregate risk weighted assets and their risk adjusted value of off-balance sheet items. See *“Risk factor - We are subject to NHB regulations in relation to minimum capital adequacy requirements and a decline in our CRAR will require us to raise fresh capital which may not be available on favourable terms or at all, which may affect our business, results of operations and financial condition”* on page xviii.

We cannot assure you that our Company will continue to be in compliance with these requirements in a timely manner or at all. There have been instances of certain irregularities in the past which we believe have been suitably addressed by us in an appropriate and timely manner. See *“Risk factor - We require certain regulatory approvals for conducting our business and any failure to obtain, retain or renew such approvals, licenses, registrations and permits to develop and operate our business or are unable to renew them in a timely manner, or at all, may adversely affect our business, results of operations and financial condition*” on page xxiv.

Furthermore, we are also subject to changes in Indian laws, regulations and accounting principles. There can be no assurance that the laws and regulations governing companies in India will not change in the future or that such changes or the interpretations or enforcement of existing and future laws and rules by governmental and regulatory authorities will not affect our business and future financial performance. The introduction of additional government controls or newly implemented laws and regulations, depending on the nature and extent thereof and our ability to make corresponding adjustments, may result in a material adverse effect on our business, results of operations and financial condition and our future growth plans. In particular, decisions taken by regulators concerning economic policies or goals that are inconsistent with our interests, could adversely affect our results of operations.

We cannot assure you that we will be able to adapt to new laws, regulations or policies that may come into effect from time to time with respect to the housing finance industry in general. Further, changes in tax laws may adversely affect demand for real estate and therefore, for housing finance in India. These laws and regulations and the way in which they are implemented and enforced may change from time to time and there can be no assurance that future legislative or regulatory changes will not have a material adverse effect on our business, financial condition and results of operations.

15. ***A major part of our Company’s branch network is concentrated in southern India and hence we are exposed to geographical risks which may affect our business, results of our operations and financial condition.***

As on December 31, 2012, out of 73 branches and 19 satellite centres of our Company, 33 branches and 13 satellite centres are located in Tamil Nadu, 13 branches and 1 satellite centre are located in Andhra Pradesh, 11 branches and 3 satellite centres are in Karnataka, 6 branches and 1 satellite centre are located in Kerala and 1 branch and 1 satellite centre is located in the Union Territory of Puducherry. Of the remaining 9 branches, 5 branches are located in Maharashtra, 1 branch is located in Odisha, 2 branches are located in Gujarat and 1 branch is located in West Bengal. The branches in Tamil Nadu accounted for 63.65%, 63.35%, 64.91% and 67.78% of our outstanding loan portfolio as at September 30, 2012, March 31, 2012, 2011 and 2010, respectively and the branches in southern India accounted for 96.65%, 97.38%, 98.76% and 100% of our outstanding loan portfolio as at September 30, 2012, March 31, 2012, 2011 and 2010, respectively.

The housing and housing finance market in southern India may perform differently from, and may be subject to market conditions that are different from housing finance markets in other parts of India. This market may be affected by various factors outside our control, including any disruption, disturbance or breakdown in the economy in any of these states, which could in turn adversely affect the business and results of operations of our Company. Any adverse changes in market conditions in southern India could affect our business, financial condition and results of our operations.

16. ***In spite of our effective risk management policy, our business operations are subject to various risks including competition risks, policy risks, exposure risks, funding risks, credit risks, asset liability mismatch risks and yield risks. Due to non availability of quality data in a timely manner we may not be able to identify, quantify and manage such risks which may adversely affect our business, results of our operations and financial condition.***

The effectiveness of our risk management is limited by the quality and timely availability of relevant data. Some methods of managing risks are based upon observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be greater than the historical measures indicated. Other risk management methods depend upon an evaluation of information regarding markets, customers or other matters. This information may not in all cases be accurate, complete, up-to-date or properly evaluated. Although we have established policies and procedures to address these risks, they may not be fully effective. Further, our risk management techniques may not be fully effective in mitigating our risks in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Also, our ability to assess, monitor and manage risks inherent to our business may or may not meet the standards of some of our counterparts in India. For further details of our risk management policies, please see the section titled "*Our Business*" beginning on page 76.

In the past in spite of our effective risk management policy we have experienced instances of fraud. For further details, please see "*Risk Factor - We have experienced incidents of fraud in the past and may experience such frauds in the future as well, which may have a material adverse effect on our business, results of operations and financial condition."* under section titled Risk Factors on page xxi.

Our inability to identify, quantify and manage risks may adversely affect our business, results of our operations and financial condition.

17. ***We are subject to restrictive covenants under our financing arrangements that could limit our flexibility in managing our business and maintaining the growth of our loan portfolio, which may in turn have a material adverse effect on our business, results of operations and financial condition.***

There are restrictive covenants in agreements we have entered into with our lenders. These restrictive covenants require us to intimate/seek the prior permission of these lenders for various activities, including, among other things, affecting any changes to the capital structure, raising fresh capital or any loans/debentures, undertaking any merger/amalgamation/restructuring, utilizing loans for purposes other than those set out in the financing agreement, implementing any scheme of expansion, diversification or modification (other than incurring routine capital expenditure), diversification into other business, effecting any amendments in our Company's Memorandum and Articles, declaring and paying dividends, undertaking any guarantee obligations on behalf of any other company, entering into borrowing arrangements with other banks, financial institutions, company, firm or persons, and creating a subsidiary. We cannot assure investors that we will receive such approvals in a timely manner or at all. In the event some or all of our lenders refuse to grant the requisite approvals, such refusal may adversely impact our business, and the results of our operations and financial condition of our Company.

Further, these restrictive covenants may affect our ability to pay dividends if we are in breach of our obligations under a relevant financing agreement. Such financing agreements may also require us to maintain certain financial ratios. In the event of any breach of any covenant contained in these financing agreements, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. Furthermore, financing arrangements also contain cross default provisions which could automatically trigger defaults under other financing arrangements. Any or a combination of some or all of these factors may result in a failure to maintain the growth of our loan portfolio, which may in turn have a material adverse affect on our business, results of operations and financial condition. For further details, please see the section titled "*Financial Indebtedness"* beginning on page 157.

18. ***Our Promoter has control over our Company, which will enable the Promoter to influence the outcome of matters submitted to shareholders for approval.***

Our Promoter has control over our Company, which will enable our Promoter to determine the outcome of matters submitted to shareholders for approval. Our Promoter holds approximately 50.02% of the paid-up share capital of our Company, as on the date of this Red Herring Prospectus. For further details, please see the section titled "*Capital Structure*" beginning on page 34. Pursuant to a letter dated March 17, 2011, from the MHA, the SHA was amended by way of an Amendment Agreement dated May 5, 2011, whereby Carlyle has agreed to give the Promoter voting rights in respect of such number of their Equity Shares in our Company which will ensure that the Promoter and any Government Authorities or entities owned or controlled by Government Authorities are entitled to exercise voting rights to the extent of 51% of the total voting rights of our Company after the listing of the Equity Shares pursuant to the Issue.

Pursuant to the said Amendment Agreement, a power of attorney has been executed by Carlyle in favour of the Promoter, authorizing the Promoter to exercise voting rights at any general meeting to be held after the date of listing of the Equity Shares at a recognised stock exchange in respect of 8,980,669 Equity Shares, except for certain matters which, among others include, (i) any change of rights in relation to the Equity Shares; (ii) modification of the authorised/issued share capital of our Company; and (iii) any proposal of merger, acquisition or consolidation with respect to our Company. In the event that the Promoter and/or the Government Authorities acquire any Equity Shares beyond their current shareholding, the Equity Shares that form the subject matter of the power of attorney would get released from the provisions of the power of attorney so as to reduce the number of Voting Shares by such number of Equity Shares that have been acquired by the Promoter and/or the Government Entities, thus ensuring that the Promoter and/or the Government Authorities exercise 51% of the total voting rights of our Company. For further details, please see paragraph "*Share Purchase and Shareholders' Agreement*" under the section titled "*History and Certain Corporate Matters*" on page 100.

Our Promoter is therefore in a position to control decisions relating to the business and the outcome of matters submitted to our shareholders for their approval. This control could delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from making an open offer or otherwise attempting to obtain control of our Company even if it is in our Company's best interest. The Promoter may have interests that are conflicting or adverse to the interests of our minority shareholders and may take positions with which the management and/or the other shareholders of our Company do not agree with. For so long as the Promoter continues to exercise control over our Company, it may influence the material policies of our Company in a manner that could conflict with the interests of the other shareholders.

19. ***Several properties used by our Company for the purposes of its operations are not owned by our Company. Any termination of the contractual agreements in connection with such properties or our failure to renew the same could adversely affect our business, results of operations and financial condition.***

Currently, all properties (except two properties) used by our Company for the purposes of our operations, including the property where our registered office is situated, are not owned by us. For further details, please see the section titled "*Our Business*" beginning on page 76. We have entered into a lease agreement with our Promoter in respect of the property where our registered office is situated. We cannot assure you that our Company will own or have the right to occupy such properties in the future or that our Company will be able to continue with the uninterrupted use of such properties. Any termination of the contractual agreements in connection with such properties which are not owned by us or our failure to renew the same, and on favourable conditions, in a timely manner, or at all, could adversely affect our business, results of operations and finacial condition.

20. ***We require certain regulatory approvals for conducting our business and any failure to obtain, retain or renew such approvals, licenses, registrations and permits to develop and operate our business or our inability to renew them in a timely manner or at all may adversely affect our business, results of operations and financial condition.***

We require a number of approvals, licenses, registrations and permits for developing and operating our business. If we fail to obtain or retain any applicable approvals, licenses, registrations and permits, or renewals thereof, in a timely manner or we are unable to obtain new approvals, if any on time, or at all, it could affect our business, results of operations and financial condition.

In addition, certain of our branches and satellite centres are required to obtain registrations under the laws relating to shops and establishments of the relevant states in which they are located. Out of 40 branches and 6 satellite centres of our Company outside Tamil Nadu, we have obtained registrations for 31 locations. We are in the process of registering certain of our other locations as may be required under the laws relating to shops and establishments in the relevant states where they are located. If we fail to obtain any of these approvals in a timely manner, or at all, our business may be adversely affected. For further details, please see the section titled "*Regulations and Policies*" beginning on page 90.

Our Company had entered into certain arrangements under which life insurance was made available to our borrowers under group/master life insurance policies. We have received reimbursement of expenses incurred in making this insurance available to our borrowers under such group/master policies. While these arrangements have since been terminated, we cannot assure you that our Company has been in compliance with the laws, rules, regulations and directions relating to insurance.

21. If we are unable to adapt to technological changes in line with changes in market conditions and the requirements of our customers, this may result in a material adverse impact on our business, results of operations and financial condition.

Our success will depend in part on our ability to respond to technological advances in the business in which we operate, on a cost-effective and timely basis. For example, for credit appraisal we have a web-based software solution for our loan origination process in order to facilitate the centralised online sanction of loans. The development and implementation of such technology solutions entails technical and business risks. There can be no assurance that we will be able to adapt or upgrade our existing technologies and successfully implement new technologies. If we are unable, for technical, legal, financial or other reasons, to adapt in a timely manner to changing market conditions, customer requirements or technological changes, it may adversely affect our business, results of operations and financial condition.

22. A failure, inadequacy or security breach in our information technology and telecommunication systems may adversely affect our business, results of operation and financial condition.

Our ability to operate and remain competitive depends in part on our ability to maintain and upgrade our information technology systems and infrastructure on a timely and cost-effective basis, including our ability to process a large number of transactions on a daily basis. Our operations also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Our financial, accounting or other data processing systems and management information systems or our corporate website may fail to operate adequately or become disabled as a result of events that may be beyond our control, including a disruption of electrical or communications services. Further, our computer systems, software and networks may be vulnerable to unauthorised access, computer viruses or other attacks that may compromise data integrity and security and result in client information or identity theft, for which we may potentially be liable.

Further, the information available to and received by our management through our existing systems may not be timely and sufficient to manage risks or to plan for and respond to changes in market conditions and other developments in our operations. If any of these systems are disabled or if there are other shortcomings or failures in our internal processes or systems, it may disrupt our business or impact our operational efficiencies, and render us liable to regulatory intervention or damage to our reputation. The occurrence of any such events may adversely affect our business, results of operation and financial condition.

23. Any adverse event with respect to our central depository and/or electronic data processing department may have an adverse effect on our business, results of operation and financial condition.

The title deeds deposited by our borrowers are kept at a central depository maintained by us. The central depository is maintained by us at our Vyasarpadi branch, Chennai, Tamil Nadu. It is operated by both our corporate office and the branch jointly. We maintain a log book with proper entries pertaining to the documents deposited or withdrawn on a day to day basis.

Further our electronic data processing department secures the electronic data of the customers in the following manner:

- All loan related data are stored in storage area network;
- Daily, weekly and monthly back up of the data is taken to ensure redundancy.

- The back ups are taken on tapes using an automated software;
- Daily and weekly backed up data are stored in a cybersafe locker (fire, shock, magnetic and dust proof); and
- Month end back up data are stored in our central depository.

In case of any adverse event which affects the central depository and/or our electronic data processing department, including loss of documents, our loan monitoring ability, enforcement of security and business reputation may be impaired. A combination of some or all of these factors may result in a failure to realize the value of the security, which may in turn have a material adverse affect on our business, results of operations and financial condition.

24. ***The interests of our Promoter, Group Entities or certain Directors may conflict with our interests or with the best interests of our other shareholders. If any such actual, or perceived, conflicts of interests are not resolved suitably, our business, results of operations and/or the interest of our other shareholders may be adversely affected.***

Our Promoter is also a promoter of certain other entities (*i.e.* our Group Entities) and certain of our Directors are also directors on the board of our Promoter and Group Entities. Furthermore, our Promoter has similar objects clauses as our Company in its bye-laws, and may engage in the housing finance business and hence, may compete with us to the extent permitted. Situations may therefore arise where such persons are presented with or identify, opportunities that may be or are perceived to be in competition with us. They may also be subject to conflicts of interest with respect to decisions concerning our operations, financial structure or commercial transactions. In case of a conflict between us with our Promoter and/or Group Entities, our Promoter or Directors may favour such other companies over us. If any such actual or perceived conflicts of interests are not resolved suitably, our business, results of operations or the interest of our other shareholders may be adversely affected.

25. ***We have in the past entered into related party transactions and may continue to do so in the future and there can be no assurance that we could not have achieved more favourable terms if such transactions had been entered into with independent third parties.***

We have entered into transactions with our Promoter and other related parties. As disclosed in the section titled "*Financial Statements – Related Party Disclosures*" on page F-35, these transactions include the interests of our Promoter in our Company in certain capacities such as its shareholding and dividend entitlement in our Company, the interest-bearing loans extended by our Promoter to us and rent from our office premises leased from them. Our Managing Director is interested in our Company to the extent of remuneration paid to him for services rendered as Director of our Company and reimbursement of expenses payable to him. Certain of our Directors may also be interested to the extent of any transaction entered into by our Company with any other company or firm in which they are directors or partners. For further details, please see sections titled "*Our Management*", "*Our Promoter and Group Entities*" and "*Financial Statements – Related Party Disclosures*" beginning on pages 104, 120 and F-35, respectively.

The transactions between our Company and our Promoter and Group Entities during Fiscal 2012 amount to ₹ 280.22 million. As at March 31, 2012, the total liabilities of our Company arising from transactions with our Promoter and Group Entities was ₹ 2,685.27 million and the total investment of our Company in our Group Entities was ₹ 80.50 million.

While we believe that all such transactions have been conducted on an arms-length basis and on sound commercial terms, there can be no assurance that we could not have achieved more favourable terms if such transactions had been entered into with independent third parties. Furthermore, it is likely that we will enter into related party transactions in the future. For further details of our historical related party transactions, please see the section titled "*Financial Statements – Related Party Disclosures*" on page F-35.

26. ***The requirement and proposed utilisation of the Net Proceeds have not been appraised by any bank, financial institution or other independent agency and are based on internal management estimates. The***

management will have significant flexibility in applying the Net Proceeds from the Issue, which may affect the results of our business, results of operations and financial condition.

We intend to utilise the Net Proceeds towards augmentation of our capital base to meet our future capital requirements arising out of growth in our business.

Our funding requirements and the deployment of the Net Proceeds are based on internal management estimates and have not been appraised by any bank or financial institution. The utilisation of the Net Proceeds will not be monitored by any independent agency. Accordingly, management will have significant flexibility in utilizing the Net Proceeds. However, any discretion exercised by our management in the utilization of the Net Proceeds shall be subject to the section titled "*Objects of the Issue*" beginning on page 47 and applicable laws.

We cannot assure you that the utilization of the Net Proceeds in our business will lead to an increase in the value of your investment. Various risks and uncertainties, including those set forth in this section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. For example, our growth plans and any other future plans could be delayed due to failure to receive regulatory approvals, technical difficulties, human resources, technological or other resource constraints, or for other unforeseen reasons, events or circumstances. Accordingly, use of the Net Proceeds towards the purposes identified by our management may not result in actual growth of our business, increased profitability or an increase in the value of our business and your investment.

27. ***We recorded net negative cash flows in the past, and may continue to do so in the future, and this may have a material adverse effect on our business, results of operations and financial condition.***

We recorded net negative cash flows for six month period ending September 30, 2012 and for the financial year ending March 31, 2011 out of our prior three Fiscals. Our net outflows for the six month period ending September 30, 2012 and financial year ending March 31, 2011 was ₹ 9.44 million and ₹ 557.26 million, respectively.

We may experience negative cash flows in the future and this may have a material adverse effect on our business, results of operations and financial condition.

28. ***Two of our Group Entities have incurred losses in the past.***

Two of our Group Entities have incurred losses during the three Fiscals (as per its audited financial information). Repco Infrastructure Development Company Limited and Repatriates Welfare Trust have incurred losses as per their audited financial information for Fiscal 2012 and for Fiscal 2010, respectively.

(in ₹million)

Name of the Group Entity	Profit/ Loss for the Year		
	Fiscal 2012	Fiscal 2011	Fiscal 2010
Repco Infrastructure Development Company Limited	(0.08)	0.01	0.01
Repatriates Welfare Trust	0.26	0.20	(0.54)

There can be no assurance that our Group Entities, will not incur losses in the future. Any disruption in the operation of our Group Entities could have an adverse affect on our business, results of operation and financial condition.

EXTERNAL RISK FACTORS

Risks relating to India

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

Any downgrading to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ability to raise funds in the domestic or international markets and thereby our business, results of operations and financial condition.

30. ***Our performance and growth are dependent on the performance of the Indian and global economic conditions. A slowdown in economic growth in India as well as globally may have an adverse effect on our business, results of operation and financial condition.***

Our financial performance and the quality and growth of our business depend significantly on the health of the overall Indian economy and on international economy as well as international, national and regional economic factors. Any slowdown in the Indian economy as well as economic conditions internationally could adversely affect our business, financial performance and the trading price of the Equity Shares. If trade deficits increase or are no longer manageable because of the rise in global crude oil prices or otherwise, the Indian economy, and therefore our business could be adversely impacted. The economy could also be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, inflation or threat thereof, changes in interest rates, commodity and energy prices and various other factors. General economic conditions may affect the financial stability of our customers and prospective customers. Any slowdown in either the Indian economy or the global economy may have an adverse effect on our business, results of operations and financial condition.

31. ***Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP and IFRS, which may be material to an investor's assessment of our Company's financial condition and results of operations. Our Company will be required to prepare its financial statements in accordance with IFRS converged standards with effect from April 1, 2014.***

Our Company's financial statements, including the audited and unaudited financial statements and the section titled "*Financial Information"* beginning on page 129 were prepared in accordance with Indian GAAP. Our Company has not attempted to explain in a qualitative or quantitative manner the impact of IFRS or US GAAP on the financial data included in this Red Herring Prospectus, nor does it provide a reconciliation of its financial statements to those under IFRS or US GAAP. IFRS and US GAAP differ in significant respects from Indian GAAP. Accordingly, the degree to which the Indian GAAP financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited. In making an investment decision, investors must rely upon their own examination of our Company, the terms of this Issue and the financial information contained in this Red Herring Prospectus.

The ICAI, the accounting body that regulates accounting firms in India, and the Ministry of Corporate Affairs has announced a road map for the adoption of and convergence of Indian GAAP with IFRS, pursuant to which our Company will be required to prepare its annual and interim financial statements under IFRS starting April 1, 2014.

Due to a significant lack of clarity on the adoption of and convergence of Indian GAAP with IFRS, with no significant body of established practice on which to draw upon when forming judgments regarding its implementation and application, the Company has not determined with any degree of certainty the impact that such adoption will have on its financial reporting. Our Company cannot assure investors that its financial condition, results of operations, cash flows or changes in shareholders' funds will not appear materially different under IFRS than under Indian GAAP. As our Company transitions to IFRS reporting, it may encounter difficulties in the ongoing process of implementing and enhancing its management information systems.

Our Company cannot assure investors that its adoption of the IFRS converged standards will not adversely affect its reported results of operations or financial condition and any failure to successfully adopt IFRS standards by April 1, 2014, or such other date as prescribed by applicable law, could have an adverse effect on the trading price of our Company's Equity Shares.

32. ***Inflation in India could have a material adverse effect on our profitability, our business, results of operations and financial condition.***

India is experiencing high levels of inflation since 2008. Year on year inflation continues to be high and stood at 7.18% as at December, 2012 *(Source: Office of the Economic Adviser to the Government of India, Ministry of Commerce and Industry. Accessible at: http://eaindustry.nic.in/).* Continued high rates of inflation may increase our costs, such as employment emoluments and benefits and administrative and other expenses. The measures adopted by the Government to curb inflation include increasing interest rates which could lead to decline in number of customers that wish to avail of home loans, which in turn could lead to decline in our business. Further, a significant amount of our funds are raised by way of loans from the NHB as well as loans from banks and financial institutions. Increase in interest rates would also result in increase in cost of funds. If, we are unable to successfully pass such increase in funding and other costs to our customers, it would lead to decline in our NIMs and adversely affect our results of operations and financial condition. Further if the rate of inflation increases, we cannot assure you that we will be able to continue to avail funds from the NHB and/or scheduled commercial banks and financial institutions at competitive rates or at all. Accordingly, high rates of inflation in India could increase our costs, could have an adverse effect on our profitability, our business, results of operations and financial condition.

33. ***Allegations of corruption, civil unrest, acts of violence include terrorism, war, communal disturbances, riots or regional hostilities involving India or other countries could materially and adversely affect our business, results of operations and financial condition.***

Recent allegations of corruption in India have the potential to discourage investors and derail the growth prospects of the Indian economy. Continued allegations of corruption may create economic and regulatory uncertainty and could have an adverse effect on our business, profitability and results of operations. The Asian region has from time to time experienced instances of civil unrest and hostilities among neighbouring countries. 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.

Hostilities and tensions may occur in the future and on a wider scale. Military activity or terrorist attacks in India as well as other acts of violence or war, could influence the Indian economy by creating a perception that investments in India involve higher degrees of risk. 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. India has experienced communal disturbances, terrorist attacks and riots during recent years and prolonged strikes. Events such as these may depress the housing prices, decrease the demand for housing and impacts income which increases default on housing loans. If such events recur, our operational and marketing activities may be adversely affected, resulting in a decline in our income. If any of our offices are directly affected by any such terrorist attack or riot, our operations may be disrupted which will adversely affect our business and results of operation.

Corruption, civil unrest, acts of violence including terrorism, war, communal disturbances, riots or regional hostilities involving India or other countries could materially and adversely affect our business, results of operations and financial condition. These factors could lead to political or economic instability in India and may have a material adverse effect on our business, results of operations and financial condition.

34. ***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 results of operations and financial condition. Also see "*Risk factor - Our business is particularly vulnerable to volatility and mismatch in interest rates, which could be due to the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions. Any volatility in our rates of borrowing and lending may adversely affect our NIM which may in turn have a material adverse effect on our business, results of operations and financial condition.*"

35. Natural disasters and other disruptions could adversely affect the Indian economy and/or the regions from where we operate and could cause our business and operations to suffer and the trading price of the Equity Shares to decrease.

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 labour unrest. Such events may lead to the disruption of information systems and telecommunication services for sustained periods and may also affect our central depository and/or electronic data processing department. They also may make it difficult or impossible for our employees and/or our customers 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 teams' 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 the quality of our customer service, our business and financial results and the price of our Equity Shares.

36. Investors may have difficulty enforcing judgments against us or our management outside India.

We are a limited liability company incorporated under the laws of India. All of our Directors and executive officers are residents of India. A substantial portion of our assets and the assets of the directors and executive officers resident in India are located in India. As a result, it may be difficult for investors to affect service of process upon us or such persons outside India or to enforce judgments obtained against us or such parties outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 of the Code of Civil Procedure, 1908 of India (as amended) (the "**Code**") on a statutory basis. Section 13 of the Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law in force in India. Under the Code, a court in India shall, upon production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the Code provides that where a foreign decree or judgment has been rendered by a superior court within the meaning of Section 44A in any country or territory outside India which the Government of India has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty. For the purposes of this section, foreign judgment means a decree which is defined as a formal expression of an adjudication which, so far as regards the court expressing it, conclusively determines the rights of the parties with regard to all or any of the matters in controversy in the suit.

A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy or if the judgments are in breach of or contrary to Indian law. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amount recovered.

Risks relating to the Issue and Equity Shares

37. There is no guarantee that the Equity Shares will be listed on the BSE and the NSE in a timely manner, or at all.

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after those Equity Shares have been issued and allotted. Approval will require all other relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the BSE and/or the NSE. Any failure or delay in obtaining the approval would restrict your ability to dispose off your Equity Shares.

38. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell Equity Shares at a particular point in time.

Upon listing, we may be subject to a daily "circuit breaker" imposed by all stock exchanges in India, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares against the previous trading day's closing price. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breakers is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. This circuit breaker limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

39. Further issuances of Equity Shares by our Company or sale of Equity Shares by any of our major shareholders could adversely affect the trading price of the Equity Shares.

Any future issuances by our Company may lead to the dilution of investors' shareholding in our Company. Any future equity issuances by our Company including issuance of Equity Shares under an employee stock option or sales of the Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

40. After the Issue, our Equity Shares may experience price and volume fluctuations or an active trading market for our Equity Shares may not develop.

The price of the Equity Shares may fluctuate after the Issue as a result of several factors, including, among other things, volatility in the Indian and global securities markets, the results of our operations and performance, the performance of our competitors, developments in the Indian housing finance sector and changing perceptions in the market about investments in the HFCs, adverse media reports on us or on other HFCs, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalization and deregulation policies and significant developments in India's fiscal regulations.

In addition, only 25.29% of the post Issue paid-up capital of our Company is being offered to the public pursuant to the Issue. An active trading market for the Equity Shares may not develop or be sustained after the Issue. Further, the price at which the Equity Shares initially trade may not correspond to the Issue Price.

Prominent Notes

1. Public issue of 15,720,262 Equity Shares for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share), aggregating up to ₹ [●] million, which includes an Employee Reservation Portion of 180,000 Equity Shares aggregating up to ₹ [●] million. The Issue would constitute 25.29% of the post Issue paid-up capital of our Company and the Net Issue would constitute 25% of the post Issue paid-up capital of our Company. Our Company, in consultation with the BRLMs, may decide to offer discounts to the Issue Price amounting to ₹ [●] and ₹ [●] to Retail Individual Bidders and Eligible Employees, respectively.

2. The net worth of our Company as at September 30, 2012 was ₹ 3,388.78 million.

3. The net asset value per Equity Share as at September 30, 2012 was ₹ 72.97.

4. The average cost of acquisition per Equity Share by our Promoter is as follows:

Number of Equity Shares held	Average cost of acquisition (in ₹)
23,230,606	10

For further details, please see the section titled "*Capital Structure*" beginning on page 34. The average cost of acquisition per Equity Share by our Promoter has been calculated by taking the average of the amount paid by our Promoter to acquire Equity Shares.

5. During the period commencing from six months immediately preceding the date of filing of the DRHP till date, no financing arrangements existed pursuant to which our Promoter, Directors or their relatives have financed the purchase of Equity Shares by any other person.

6. For information on changes in our Company's name, Registered Office and changes in the object clause of the Memorandum, please see the section titled "*History and Certain Corporate Matters*" beginning on page 100.

7. Except as disclosed in the section titled "*Financial Statements - Related Party Disclosures*" on page F-35, there have been no transactions between our Company, our Promoter and Group Entities or key managerial personnel during the last year. The details of transactions by our Company with our Promoters and Group Entities during six months period ending September 30, 2012 and Fiscal 2012, including the nature and cumulative value of the transactions, are as follows:

(in ₹ million)

Nature of transaction	Promoter		Group Entities	
	As on September 30, 2012	As at March 31, 2012	As on September 30, 2012	As at March 31, 2012
Equity share capital (paid-up)	232.31	232.31	-	-
Cash credit outstanding	3,066.61	2,405.15	-	-
Term loan outstanding	16.26	22.26	-	-
Rent paid	0.86	1.08	-	-
Corporate fees paid	0.11	0.22	-	-
Interest paid on loans availed from Promoter	163.78	255.14	-	-
Equity dividend proposed	-	25.55	-	-
Interest earned on deposits	0.14	0.56	-	-
Capital expenditure paid	-	-	-	-
Investments outstanding as at the end of the Fiscal 2011	-	-	80.50	80.50

8. Except as disclosed in the sections titled "*Financial Statements - Related Party Disclosures*" and "*Our Promoter and Group Entities*" on pages F-35 and 121 respectively, none of our Group Entities are interested in our Company.

9. Any clarification or information relating to the Issue shall be made available by the BRLMs and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever. The BRLMs shall be obligated to provide information or clarifications relating to the Issue. Investors may contact the BRLMs, the Syndicate Members and the Registered Brokers for any complaints or comments pertaining to the Issue which will be attended expeditiously.

10. All grievances relating to ASBA process may be addressed either to (i) the concerned member of the Syndicate and the relevant SCSB, in the event of a Bid submitted by an ASBA Bidder at any of the Syndicate ASBA Centres, or (ii) the Designated Branch of the SCSB where the ASBA Form was submitted by the ASBA Bidder, giving full details such as name, address of the Bidder, number of Equity Shares applied for, amount paid on application, in the event of a Bid submitted directly with a Designated Branch by an ASBA Bidder, in both cases with a copy to the Registrar to the Issue. and (iii) the Registered Broker, in case of applications submitted by ASBA Bidders at the Registered Broker Centres. The acknowledgement by the Registered Broker will form basis of complaint and stock exchanges shall disclose publicly the complaint and grievance redressal mechanism along with monetary/non-monetary penalty.

SECTION III – INTRODUCTION

SUMMARY OF INDUSTRY

HOUSING FINANCE INDUSTRY IN INDIA

Industry composition

India's housing finance industry mainly comprises banks and HFCs, and to a certain limited extent, smaller institutions such as community-based organisations, self-help groups, etc. The NHB operates as the principal agency for promoting, regulating and providing financial and other support to HFCs at local and regional levels, while banks and NBFCs are managed and regulated by the RBI. As of February 5, 2013, 56 companies have been granted certificates of registration by NHB to act as HFCs.

Source: http://www.nhb.org.in/Regulation/RegisteredCompanies.PHP *and* http://www.nhb.org.in/Regulation/NonValidCompanies.PHP, *accessed on February 5, 2013*

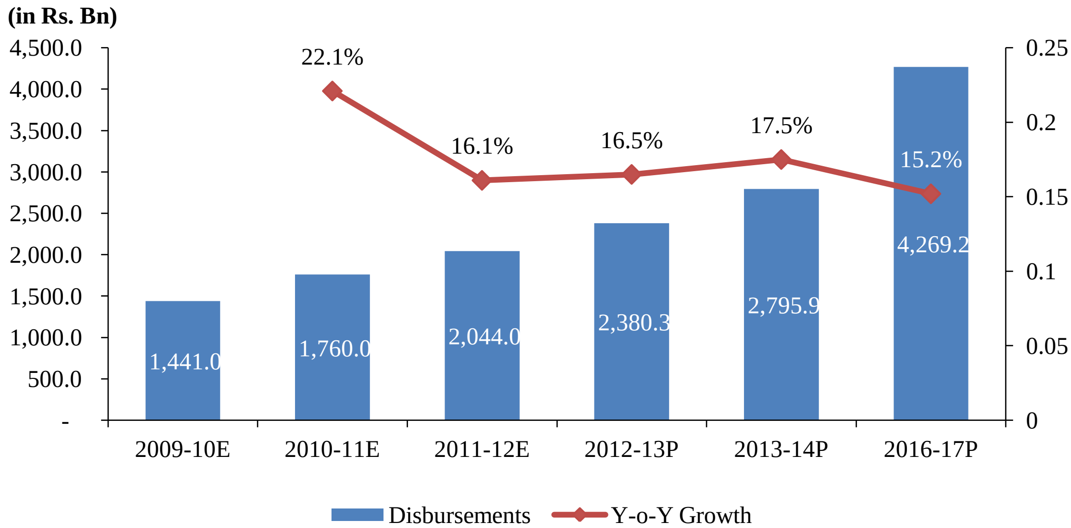
Historically, the housing finance industry was dominated by HFCs. However, towards the end of the 1990s, the scheduled commercial banks became very active in lending to the housing sector in the backdrop of lower interest rates, rising disposable incomes, stable property prices and fiscal incentives by the government.

While banks depend on their own equity and reserves and large deposit base for funding their housing loan portfolios, HFCs primarily depend on funding sources such as loans from banks and financial institutions, financing from NHB, borrowing through bonds and debentures, commercial paper, subordinate debt and fixed deposits from public, besides their own equity and reserves.

Increased competition in the housing finance industry has also led to the introduction of new mortgage products in the market, such as variable interest rate loans, loan for repairs and renovation, and customised products with features like ballooning EMI, depending on the need and eligibility of the borrowers concerned. In addition, some banks and HFCs also offer home equity loans (loans against the mortgage of existing property), which may be used for non-housing purposes.

Disbursements

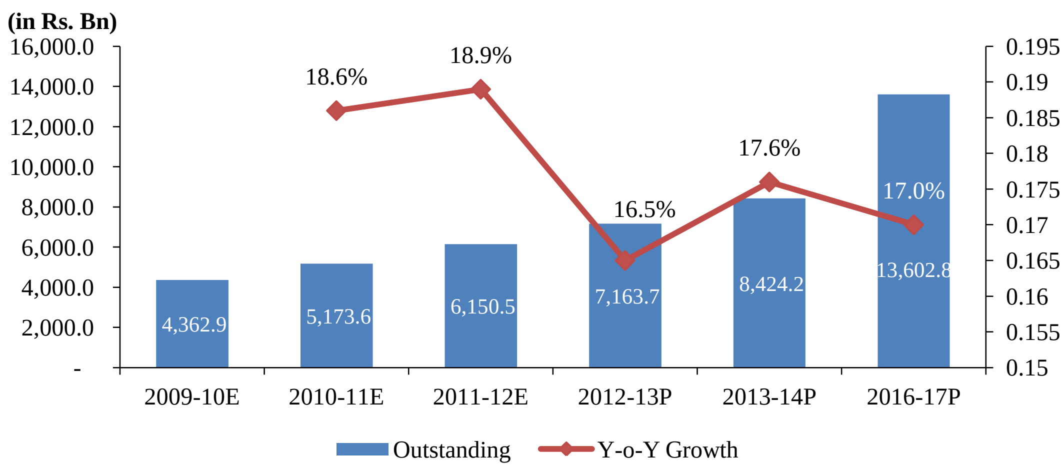
As per CRISIL estimates, housing finance disbursements are estimated to have grown by around 16.1% in Fiscal 2012 to ₹ 2,044 billion (as compared with ₹ 1,760 billion in Fiscal 2011). Over the next 5 years, housing finance disbursements are projected to grow at a CAGR of 16% to reach ₹ 4,269 billion by Fiscal 2017. Increase in transaction volumes, rise in property prices and higher loan to value ("**LTV**") ratios are some of the key drivers behind the growth in disbursements in the housing finance industry. The year on year growth (historical & projected) in the outstanding housing loan portfolio in India is graphically represented in the chart below:



Source: CRISIL Report: Retail Finance – Housing, October 2012

Outstanding Loans

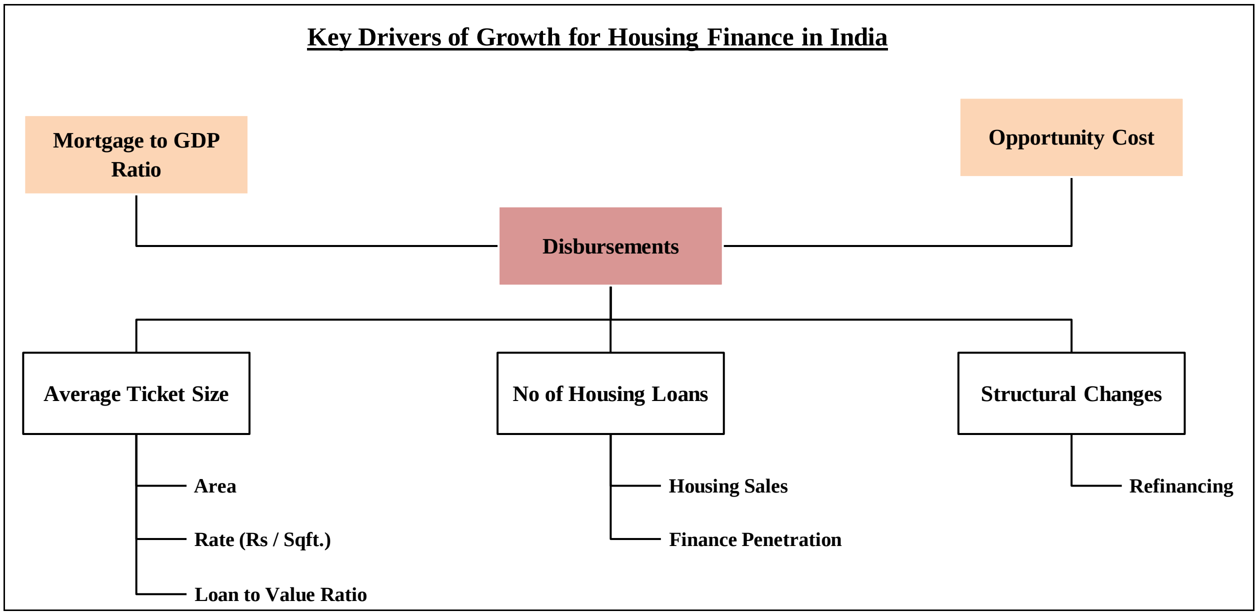
The quantum of outstanding loans is impacted by a combination of disbursements, repayments and pre-payments. As per CRISIL estimates, housing finance outstanding portfolio, i.e. the total loan book of a housing finance player, grew by around 19% Y-o-Y in Fiscal 2012 (to ₹ 6,150.5 billion as compared with ₹ 5,173.6 billion in Fiscal 2011), due to a steady growth in disbursements and lower prepayments. The housing finance outstanding portfolio is expected to grow at a CAGR of 17% to reach ₹ 13,602.8 billion in Fiscal 2017. The chart below shows the historic and projected growth in the outstanding housing loan portfolio in India.



Source: CRISIL Report: Retail Finance – Housing, October 2012

Key Drivers of Growth for Housing Finance

The key factors driving growth in housing finance disbursements and outstanding housing finance loan portfolio are laid out in the diagram below.

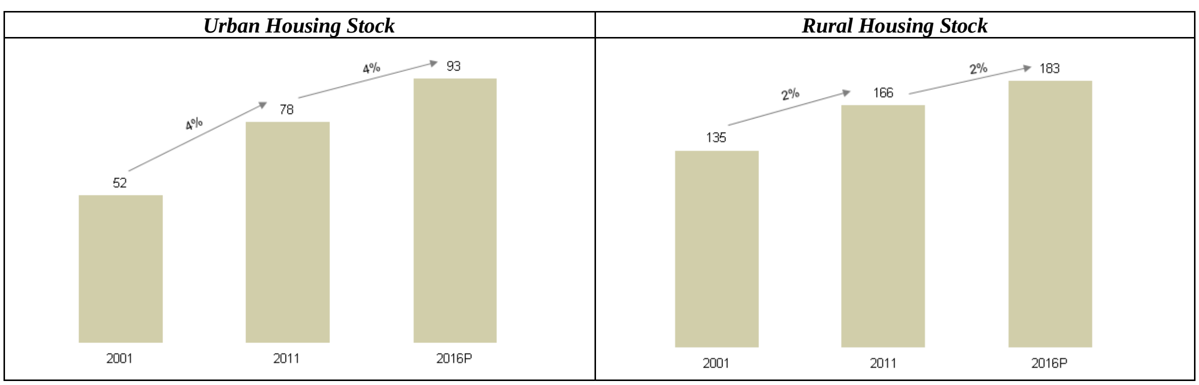


Source: CRISIL Report: Retail Finance – Housing – Annual Review, Opinion, April 2010

- ***Growth in housing stock***

For the housing finance industry to grow, there has to be an available stock of houses which can be mortgaged. Any growth in this available stock of houses will provide additional impetus to the growth of the housing finance industry.

The annual addition to housing stock in India peaked in Fiscal 2008 after a period of continued growth driven by increase in demand, especially in urban areas. As per CRISIL Research, housing stock is estimated to grow at a CAGR of 2.3% over the next five years (Fiscal 2012 – Fiscal 2016) with a higher growth expected in the urban segment (CAGR of 3.3% from Fiscal 2012 – Fiscal 2016) as compared to the rural segment (CAGR of 1.8% from Fiscal 2012 – Fiscal 2016). The share of rural housing stock, as a percentage of total housing stock is expected to fall marginally by Fiscal 2016 as compared to Fiscal 2011 on account of increasing migration from rural to urban regions because of better job opportunities.

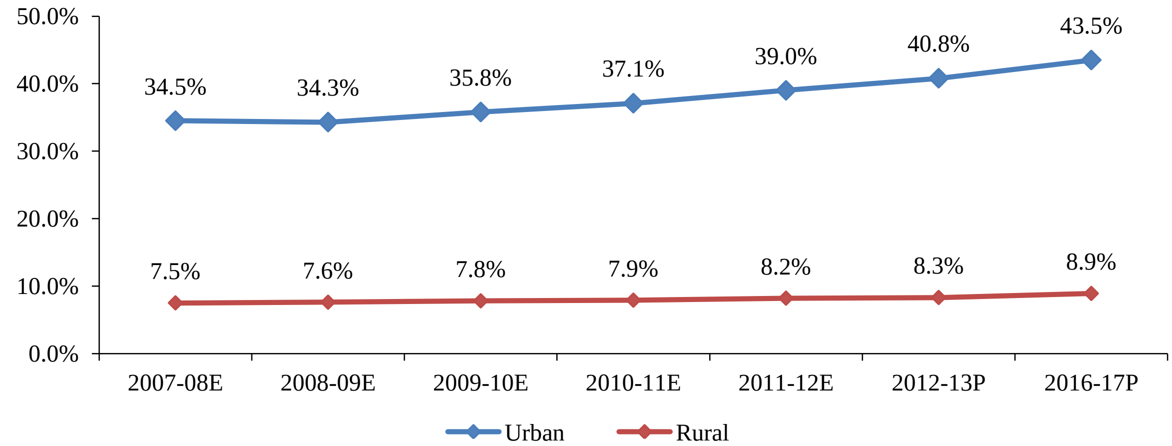


Source: CRISIL Report: Housing, July 2012

- ***Penetration***

Historically, penetration of housing finance has been low, impeding the growth of the industry. This has been particularly true in rural areas where banks and large HFCs have not focused historically due to their higher cost of operations. As per CRISIL estimates, finance penetration in urban areas stood at 39% in Fiscal 2012, and is projected to increase to 43.5% in Fiscal 2017. Similarly, the housing finance penetration in rural areas stood at 8.2% in Fiscal 2012, and is projected to increase to 8.9% by Fiscal 2017.

Rural areas continue to lag behind urban regions in terms of availability of housing finance, largely due to lesser numbers of players offering housing finance in these regions, thereby providing a good opportunity to lenders with lower cost of operations and a good understanding of rural markets to expand their operations.



Source: CRISIL Report: Retail Finance – Housing, October 2012

- ***Average ticket size***

ATS is a function of the area per house, price per square feet and LTV ratio. According to CRISIL, average ticket size for new homes in urban areas is projected to have grown at a CAGR of 9.3% increasing from ₹ 1.38 million in Fiscal 2008 to ₹ 1.80 million in Fiscal 2011. This increase was driven largely by the rise in the property prices and increase in the saleable area during 2010-11.

In Fiscal 2012, the urban ATS grew only by 6%, as property prices in markets such as Mumbai, Delhi-NCR region, Hyderabad and Chandigarh stabilised. Unsold inventories, the result of high interest rates, may have led to price corrections in some areas, impacting the growth in ATS.

CRISIL Research suggests that the rise in ATS in Fiscal 2013 will be driven by the increase in property prices in non-metros such as Pune, Bengaluru, Ahmedabad and Chandigarh and metros such as Chennai and Kolkata, and expects the ATS to increase by 7-8% Y-o-Y over the next 2 years in line with the appreciation expected in the property prices in tier-II and tier-III cities.

However, over the longer term, the ATS in urban areas is expected to grow by a firm 9-10% CAGR on account of an expected increase in property prices and a marginal increase in the LTV ratio.

The ATS estimates for the past years, and projections are tabulated below:

₹ Million	**Fiscal 2010 (E)**	**Fiscal 2011 (E)**	**Fiscal 2012 (E)**	**Fiscal 2013 (P)**	**Fiscal 2014 (P)**	**Fiscal 2017 (P)**
Urban – New	1.59	1.80	1.91	2.02	2.22	3.03
Urban – Resale	1.29	1.46	1.55	1.62	1.80	2.46
Rural – New	0.50	0.54	0.56	0.57	0.59	0.67
Rural – Resale	0.39	0.41	0.43	0.43	0.44	0.51

Source: CRISIL Report: Retail Finance – Housing, April 2012 & October 2012

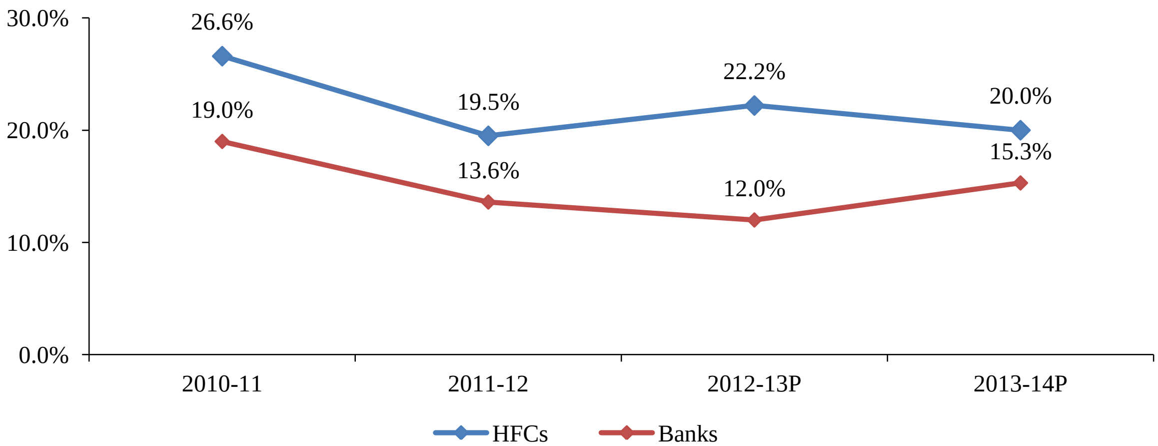
To summarise, the growth trend in housing finance disbursements is expected to continue to increase driven by multiple factors such as increasing demand for housing, the rise in the average ticket size and the increasing penetration levels. From the lender's perspective, housing finance being one of the low risk asset classes is expected to keep contributing to a major portion of their retail lending portfolio. Besides, the higher proportion of floating rate loans, which helps financers manage the interest rate risk, would provide further impetus to disbursements.

KEY TRENDS IN THE HOUSING FINANCE INDUSTRY IN INDIA

The key trends in the housing finance industry in India are as follows:

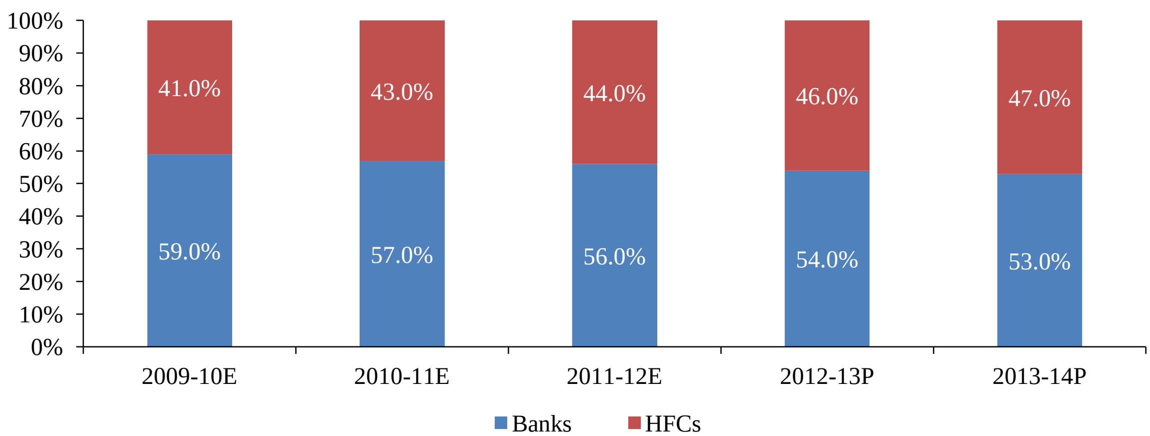
- ***HFCs gaining market share***

Over the years, the market share of housing finance companies (HFCs) has significantly improved vis-à-vis banks on account of robust growth in disbursements of the former. In recent times, with slowdown in corporate credit, banks are aggressively focusing and competing with HFCs in the home loan segment. However, with strong origination skills and diverse channels of sourcing business, HFCs will continue to gain market share. The expected growth rates of banks and HFCs in disbursements are depicted in the chart below.



Sources: CRISIL Report: Retail Finance – Housing, October 2012

According to CRISIL Research, bank disbursements are expected to grow by 12.0% in Fiscal 2013, whereas disbursements by HFCs are expected to grow at 22.2% during the same year. HFCs are expected to grow faster because of their increasing presence in tier II and tier III centres, increase in their ATS and stable asset quality. Consequently, CRISIL Research estimates the share of HFCs to increase to around 47% in Fiscal 2014.



Sources: CRISIL Report: Retail Finance – Housing, October 2012

Despite slowdown by private banks, the banking segment retained market share in Fiscals 2009 & 2010, led by aggressive interest rate schemes by public sector banks. However, subsequent introduction of similar competitive schemes by HFCs helped HFCs increase their market share in Fiscal 2011. A less aggressive approach together with concerns on asset quality is expected to further limit the growth of banks in the coming quarters.

- ***Focus on salaried segment, self-employed borrowers ignored***

Historically banks and HFCs have largely focused on the salaried class, as can be seen by the fact that salaried borrowers account for 80-85% of the total outstanding loans. The key reason behind this skew towards the salaried segment is the ease in validating the income levels and the repayment capabilities of salaried borrowers vis-à-vis self-employed persons. Further, lenders have traditionally viewed the salaried segment as one with stable cash flows and, hence, consider it as lower risk. However, this has also resulted in the self-employed borrowers being largely ignored by the organised lenders, forcing them to rely on personal loans or loans from unorganised sources at higher interest rates.

Source: CRISIL Report: Retail Finance – Housing Update, May 2011

- ***HFCs have been able to maintain net profit margins***

According to CRISIL, HFCs, despite having a higher cost of funds as compared to banks, have been able to maintain comparable gross spreads and with improved efficiencies, lower operating costs and better risk management practices, have a net profit margin slightly higher than the banks. As per their estimates, HFCs are expected to maintain a net profit margin of 1.6-1.7% of loan book as against banks at 1.5-1.6% of loan book based on incremental disbursements.

Source: CRISIL Report: Retail Finance – Housing Update, May 2011

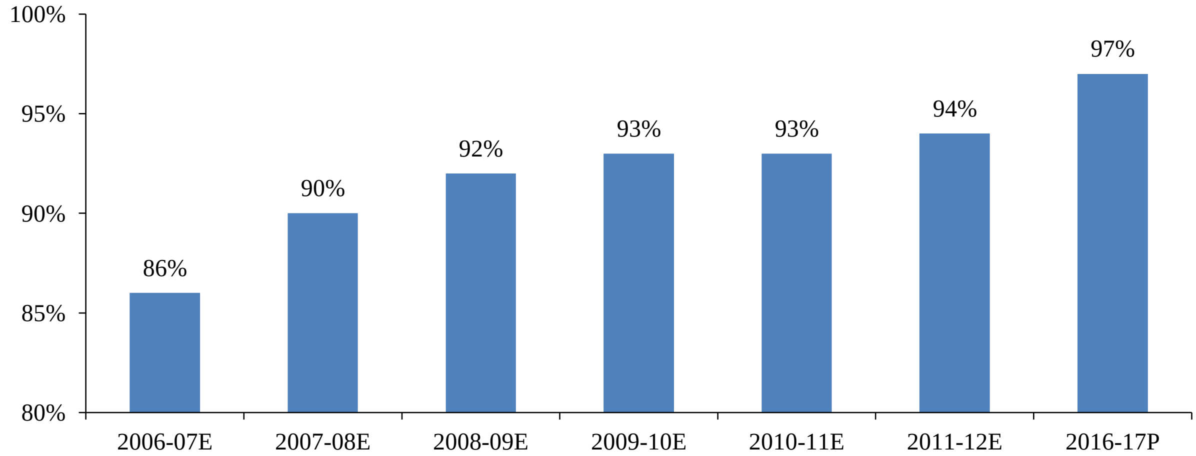
- ***Diversification of sources of funds by HFCs***

The typical funding sources for HFCs include bank loans, non-convertible debentures ("**NCD**"), fixed deposits, commercial papers, NHB refinancing and other loans. Larger HFCs have been able to build a more diverse funding base due to their superior credit rating and their ability to target the NCD market for funds. In contrast, smaller HFCs have leveraged the NHB refinance facility for priority sector/rural lending, which is offered at lower than market interest rates. This has helped the smaller HFCs to compete with banks and larger HFCs by reducing their cost of funds.

- ***Floating rate loans account for bulk of market***

All housing loans in India typically carry a fixed interest rate or a floating interest rate. A fixed rate loan is one where the rate of interest remains constant throughout the tenure of the loan or for a specific number of years. Whereas, in a floating rate loan, the borrower pays interest at a rate that is linked to the benchmark prime lending rates of financiers. The rate charged on fixed rate loans is generally higher than that charged on floating rate loans, due to the higher interest rate risk in case of the former. Due to the long-term nature of the housing loans and medium-term nature of the lender's liabilities, lenders prefer to lend at floating rates, as it allows them to re-price the loans as and when their cost of funds increases.

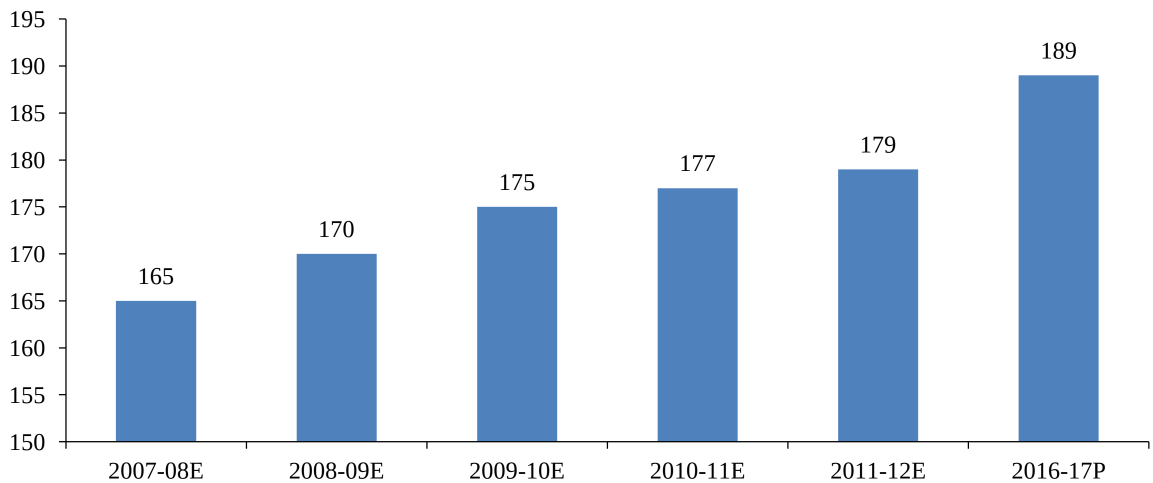
The proportion of floating rate loans has been increasing for the last several years, primarily due to the indirect push from the lenders side by way of a higher spread between fixed rate loans and floating rate loans, which in some cases was around 275 bps. Post 2009-10, the rising interest rate scenario made borrowers opt for floating rate loans in anticipation of reduction or stabilization of interest rates in the later years. According to CRISIL, the proportion of floating rate loans is expected to continue rising and reach around 97% in Fiscal 2017.



Source: CRISIL Report: Retail Finance – Housing, October 2012

- ***Average loan tenures rising gradually***

Over the last few years, the average contractual tenure of loans has been gradually rising with a rise in the property prices. As the increase in tenure decreases the EMI, it allows the customer to borrow a higher amount. As per CRISIL, the average loan tenure stood at 165 months in Fiscal 2008 and has since risen to 179 months in Fiscal 2012. By Fiscal 2017, the average loan tenure is expected to further rise to 189 months.

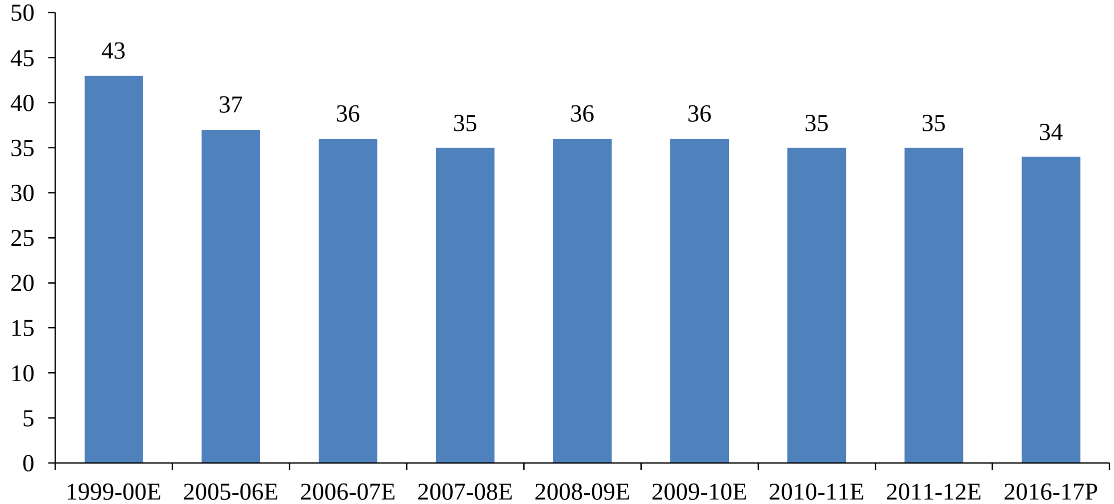


Source: CRISIL Report: Retail Finance – Housing, October 2012

- ***Average age of borrowers coming down***

According to CRISIL, almost 80-85% of home loan borrowers belong to the salaried class. Between 1999-00 to 2007-08, salaries are estimated to have increased at a higher rate than the rise in property prices, thereby increasing the affordability of new houses for individuals. Also, the growth rate in salaries has been higher for those in the younger age bracket than those who are close to retirement. This trend, coupled with tax incentives in place for interest and principal repayments, has prompted more and more young people to buy houses.

The average age of housing finance customers in India is estimated to have reduced from 43 years in Fiscal 2000 to 35 years in Fiscal 2012 and is further expected to go down to 34 years by Fiscal 2017.



Source: CRISIL Report: Retail Finance – Housing, October 2012

SUMMARY OF BUSINESS

The following information should be read together with the information contained in the sections titled "Risk Factors", "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements" beginning on pages xiii, 63, 130 and 129, respectively, of this Red Herring Prospectus.

Unless otherwise stated, the financial information of our Company used in this section is derived from our audited financial statements prepared under Indian GAAP and the Companies Act, and restated pursuant to the SEBI ICDR Regulations.

OVERVIEW

We are a professionally managed housing finance company headquartered in Chennai, Tamil Nadu. We were promoted by The Repatriates Co-operative Finance and Development Bank Limited ("**Repco Bank Limited**"), a Government of India owned enterprise, in April 2000, to tap the growth potential in the housing finance industry. We are registered as a housing finance company with the NHB, the housing finance regulator of India.

We are engaged primarily in the business of financing (i) the construction and/or purchase of residential and commercial properties including repairs and renovations ("**Individual Home Loans**"); and (ii) loans against properties ("**Loans Against Property**"). As of December 31, 2012, we had 73 branches and 19 satellite centres located in Tamil Nadu, Karnataka, Andhra Pradesh, Kerala, Maharashtra, Odisha, West Bengal, Gujarat and the Union Territory of Puducherry. Further, as of December 31, 2012, 77 of our branches and satellite centres were located in tier 2 cities and tier 3 cities, and at the peripheries of tier 1 cities, based on our belief that they are underserved by larger HFCs and banks.

In 2007, we raised funds aggregating to ₹ 759.35 million, by way of an issue of Equity Shares and CCPS to Carlyle, an affiliate of the Carlyle group, a global alternative asset manager. Subsequently, the CCPS have been converted into Equity Shares on July 30, 2009. For further details, please see sections titled "*Capital Structure*" and "*History and Certain Corporate Matters*" beginning on pages 34 and 100, respectively.

We have leveraged our key strengths of (a) direct customer contact and customer ownership, (b) focus on quality customer servicing, transparency and speed of operations, (c) focus on relatively underpenetrated markets and segments, (d) robust risk management systems and processes, (e) low cost operations, (f) well recognised brand in South India with an established track record, and (g) experienced senior management team, to generate significant growth in loan book and profitability, while maintaining strong asset quality.

Our outstanding loan portfolio has grown at a CAGR of 43.81% from ₹ 6,550.83 million as of March 31, 2008 to ₹ 28,021.55 million as of March 31, 2012. Our outstanding loan portfolio as at March 31, 2012 and as at March 31, 2011 was ₹ 28,021.55 million and ₹ 20,735.22 million, respectively. Our outstanding loan portfolio as at September 30, 2012 and September 30, 2011 was ₹ 30,978.03 million and ₹ 24,286.95 million, respectively. Similarly, our profit after tax has grown at a CAGR of 45.47% from ₹ 150.87 million for Fiscal 2008 to ₹ 675.64 million for Fiscal 2012. Our gross NPA was 2.12% and 1.76% and our net NPA was 1.60% and 1.38% as at September 30, 2012 and September 30, 2011, respectively. Our gross NPA was 1.37%, 1.21% and 1.24% and our net NPA was 0.95%, 0.95% and 0.97% as at March 31, 2012, 2011 and 2010, respectively. Since loans to non- salaried customers comprise a significant proportion of our outstanding loan portfolio, our NPA levels vary during the year. While our business is not seasonal, our NPA levels vary during the year as would be evident from the data set out above.

The total long term borrowings (including current maturities of long term borrowings) and short term borrowings of our Company, as at September 30, 2012 and March 31, 2012, were ₹ 27,352.76 million and ₹ 24,860.43 million, respectively, and the CRAR as at September 30, 2012 and March 31, 2012 amounted to 15.94% and 16.50%, respectively. Our term loan facilities aggregating to ₹ 2,974.80 million were assigned an "[ICRA]A+" with a "stable outlook" rating by ICRA Limited on January 30, 2013 which is valid till May 31, 2013. For further details, please see the section titled "*Financial Statements*" beginning on page 129.

We believe that our loan portfolio is well diversified across salaried and non - salaried borrowers. Loans to salaried and non-salaried borrowers constituted 47.29% and 52.71%, respectively, of our loan book as at September 30, 2012. The non-salaried borrower base, which we believe is a relatively under penetrated target segment, comprises Self Employed Professionals ("**SEP**") and Self Employed Non-Professional ("**SENPs**").

We intend to grow our loan book, income and profits through (a) deepening our reach in existing regions and expanding to new regions, (b) continued focus on under penetrated markets, (c) maintaining strong asset quality through continued focus on risk management, (d) accessing low cost and diversified sources of funds, and (e) maintaining low operating costs, amongst others.

OUR COMPETITIVE STRENGTHS

We believe that our competitive strengths are as follows:

Direct customer contact and customer ownership

Our Company's marketing strategy is focussed on direct and localised advertising through loan camps and word of mouth referrals. As a result, most of our customers are either "walk-in" borrowers or referred by existing borrowers of our Company. Our Company, typically, does not use marketing intermediaries to communicate with or service its customers. Our branch offices act as single points of contact for our customers. The branches are responsible for sourcing loans, carrying out preliminary checks on the credit worthiness of the prospective customers, providing assistance in documentation, disbursing loans and in monitoring repayments and collections. This approach allows our Company to have direct contact with the customer at all times and enables us to provide personalised service to all of our customers resulting in a satisfied customer base, increased customer connect and loyalty.

We believe that our direct marketing approach mentioned above helps the Company in brand building and in attracting new customers. Further, we also believe that direct customer contact reduces incidents of fraud in the loan appraisal process.

Focus on quality customer servicing, transparency and speed of operations

Our branch offices serve as a single point of contact for customers. Since face to face meetings with our customers are mandatory for procuring our loan products, our branch personnel are able to clearly articulate and explain the various loan products to our customers, the rates of interest, fees and charges, key distinguishing features of various products offered, and the timelines for credit appraisal and disbursement. This approach reduces the possibility of mis-selling a loan to a customer and hence reduces potential for future disputes.

Our branch offices coordinate with both the head office and external agencies such as independent, empanelled lawyers and valuers, amongst others, during the credit appraisal process. We believe that effective coordination between our branch offices and our head office at all stages of operations allows us to operate in a transparent and speedy manner. For instance, while loan camps are conducted by our branch personnel, personnel from our head office are present to assist in credit evaluation and oversee the general functioning of the loan camps. Once the loan application together with the accompanying transaction documents (including reports from external agencies) are submitted to our branch offices, it is transmitted online to our centralised credit appraisal team at our head office. This is achieved through a loan origination system which allows real time transmission and review of loan applications resulting in increased efficiency, faster turnaround times and lower operational costs. Our Company also has a centralised depository for storing original loan documents, and this enables us to release the title deeds to the borrower expeditiously upon satisfaction of loan dues.

We believe that our transparent processes and speed of operations result in customer satisfaction which helps attract new customers and enables us to grow rapidly.

Focus on relatively underpenetrated markets and segments

Our Company is consciously targeting markets that are relatively underpenetrated. The key target markets of our Company are in tier 2 and tier 3 cities and at the peripheral areas of tier 1 cities and as of December 31, 2012, the

Company had 77 branches and satellite centres catering to these markets. We believe that sustained growth in the Indian economy will result in urbanization and significant development in tier 2 and tier 3 cities, and our Company is expected to benefit from this trend. For further information, please see the section titled "*Industry Overview*" on beginning page 63.

Our Company has a broad-based customer mix and is not overly reliant on the salaried class which we believe to be a highly competitive market segment. Loans to salaried and non-salaried borrowers constituted 47.29% and 52.71%, respectively, of our outstanding loan book as at September 30, 2012. The non-salaried borrower segment comprising SEPs and SENPs, is under penetrated and underserved by larger HFCs and banks. Our Company has been able to successfully penetrate the non-salaried segment given its direct customer contact, tailored approach and personal evaluation processes followed during credit appraisal.

Robust risk management systems and processes

We believe that our Company has robust risk management systems and processes in place across all areas of operations, namely loan origination, credit appraisal, loan disbursement, and collection and recovery. Some of the key systems and processes are (a) personal interview by branch manager, (b) site visits, (c) scrutiny of income documents and obtaining encumbrance certificates, (d) estimation of property value backed by valuation certificate from independent and empanelled valuers, (e) obtaining legal opinion on title deeds, (f) linking quantum of loans to value of property and income of the potential borrower (LTV and IIR ratios) IIR is the ratio of the monthly instalment to the total monthly income of the borrower. LTV is the ratio of the loan value to the appraised value of the security. The borrower is eligible to take a loan up to the amount as arrived by a standardised calculation., (g) linking interest rates to credit score, (h) mandatory site visits in case of loans for property under construction, (i) inspection of branches by head office personnel periodically on a formal or informal basis, (j) visits by branch personnel and head office personnel in relation to the recovery of non-performing loans, and (k) strong internal controls at all levels (loan approval limits, customers have no contact with credit appraisal team, amongst others).

We believe our risk management systems and processes have resulted in maintaining good asset quality. Our gross NPA and net NPA as at September 30, 2012 was 2.12% and 1.60%, respectively and our gross NPA and net NPA as at September 30, 2011 was 1.76% and 1.38%, respectively. The robustness of the risk management systems of our Company is also demonstrated by the fact that the total amount of loans written off since inception till September 30, 2012 was only ₹ 37.10 million, which was 0.08% of our total disbursements of ₹ 43,129.11 million for the same period.

Low cost operations

Our Company has been able to operate branches in tier 2 and tier 3 cities in a commercially viable manner. Each of our branches generally consists of three or four employees who possess local knowledge and a good understanding of customer needs. Further, our centralised model of credit appraisal helps reduce our administrative costs. Our cost to income ratio was 16.55%, 15.20%, 12.64% for Fiscal 2012, 2011, 2010, respectively and the ratio of operating expenses to outstanding loan book was 0.69%, 0.72%, 0.67% for Fiscals 2012, 2011, 2010, respectively. Our cost to income ratio was 15.38% and 14.86% for the six month period ended September 30, 2012 and 2011 respectively. The ratio of operating expenses to outstanding loan book was 0.64% and 0.66% for the six month period ended September 30, 2012 and 2011 respectively, on an annualised basis.

Our low cost business model helps us expand into and sustain our operations in tier 2 and tier 3 cities which we believe are relatively under penetrated.

Well recognised brand in South India with an established track record

Our Promoter has been operating in South India since 1969 and has all of its 76 branches located in South India with approximately 640,000 customers as of December 31, 2012. Additionally, our Company has been in operation in South India since incorporation, and out of the total network of 92 branches and satellite centres of our Company as of December 31, 2012, 83 branches and satellite centres are located in South India. In addition, our Group Companies, Repco MSME Development & Finance Limited and Repco Foundation for Micro Credit operate in 60 locations in South India as at December 31, 2012. As a result, 'Repco' is a well recognised brand in South India, which has contributed to earning the trust of our customers, enabling us to continually strengthen our foothold in South India.

Experienced senior management team

Our Company's senior management comprises professionals with significant experience in all areas of banking and housing finance. We believe that our management team has a long term vision and provides stability and continuity to our business. Our senior management is supported by a capable and talented pool of trained personnel at our head office and branch offices. This enables us to solicit better quality loan proposals, improve credit appraisal, manage risks better, and provide better quality service to our customers.

OUR STRATEGY

Our business objective is to grow our loan book, income and profits through increased market presence. Key elements of our business strategy include:

Deepening our reach in existing regions and expanding to new regions

We plan to expand and widen our geographic footprint as part of strategy to grow our loan portfolio. We have a two-pronged strategy towards branch expansion – (i) deepening our penetration in geographies where we already have our presence, and (ii) expanding our operations to newer, attractive regions previously untapped by us.

Our Company intends to deepen penetration in South India and expand our footprint in a phased manner by selectively setting-up new branches in the states of Maharashtra, Gujarat and West Bengal amongst others. To deepen our penetration in existing geographies, we plan to selectively expand in the adjoining areas of our existing branches, since this would enable us to leverage our experience in these regions, and also generate greater brand awareness and word-of-mouth referrals. Backed by our familiarity and localised experience, we expect to grow our business by tapping into opportunities in these regions.

We expect that systematic geographical expansion, matched with a continued focus on our competitive strengths, would help us in significantly improving our market share and drive growth.

Continued focus on under penetrated markets

Our Company plans to continue to target markets that we believe are relatively under penetrated. Our key target markets continue to be tier 2 and tier 3 cities and peripheral areas of tier 1 cities. We will continue to target non-salaried customers in the key target markets (comprising SEP and SENPs) who we believe are largely under served. As at December 31, 2012, out of our existing network of 92 branches and satellite centres, 77 branches and satellite centres were located in tier 2, tier 3 cities and the peripheral areas of tier 1 cities. As at September 30, 2012, 52.71% of our loan book comprises loans to the SEP and SENPs. For more details, please see *"Our Competitive Strengths - Focus on relatively underpenetrated markets and segments"* under the section titled "*Our Business*" on page 76.

Given our continued focus on and experience in dealing with customers in the underserved target markets as mentioned above, we understand the customer requirements in these markets and shall continue to evolve processes and products to cater to the needs of the target segment that we serve.

Maintaining strong asset quality through continued focus on risk management

Maintaining strong asset quality is paramount in our business as it directly impacts our provisioning, profitability, net worth and CRAR. Further, we believe that our ability to control levels of NPAs and maintain credit quality of our loan portfolio indicates robust risk management systems and policies that we have in place. For more details, please see *"Our Competitive Strengths - Robust risk management systems and processes"* on page 78.

Risk management forms an integral part of our business as we are exposed to various risks relating to the housing finance business such as a volatility of demand for housing and housing finance, availability of funding at competitive rates, asset-liability mismatches (in terms of interest rates and liquidity), amongst others. The objective of our risk management system is to measure and monitor the various risks that we are subject to, and to implement policies and procedures to address such risks. We intend to continue improving our operating processes and risk management systems that will further enhance our ability to manage our growth and the risks inherent to our business.

Accessing low cost and diversified sources of funds

We source funds for our business primarily through loans from banks, refinance from NHB and short term credit/overdraft facilities from our Promoter. In this regard, we have been assigned an "[ICRA]A+" rating by ICRA Limited on January 30, 2013 with a "stable outlook" for a term loan facility of ₹ 2,974.80 million and is valid till May 31, 2013.

We intend to explore the option of raising funds through rated debt instruments. We also plan to explore access to low cost sources of funds in order to maintain our CRAR and strengthen our balance sheet. We would like to diversify our sources of funding and tap into alternative sources such as fixed deposits, multi-lateral agencies and rated long term and short term listed debt instruments. We believe that this will enable us to reduce the risk of lender concentration and optimise our funding costs, which in turn enables us to maintain our NIM.

Maintaining low operating costs

We believe that our cost to income ratio is amongst the lowest in the housing finance industry. Our cost to income ratio was, 16.55%, 15.20%, 12.64% for Fiscal 2012, 2011, 2010, respectively and the ratio of operating expenses to outstanding loan book was 0.69%, 0.72%, 0.67%for Fiscals 2012, 2011, 2010, respectively. Our cost to income ratio was 15.38% and 14.86% for the six month period ended September 30, 2012 and 2011 respectively. The ratio of operating expenses to outstanding loan book was 0.64% and 0.66% for the six month period ended September 30, 2012 and 2011 respectively, on an annualised basis.

We believe our Company has been able to successfully operate branches in tier 2 and tier 3 cities at low costs ensuring the commercial viability of such branches. Further, our Company is continuously focused on improving efficiency and lowering operational costs, and to achieve the same we continuously monitor metrics such as outstanding loan per employee and profit per employee, amongst others.

THE ISSUE

The following table summarises the Issue details:

Public Issue aggregating to ₹ [●] million	15,720,262 Equity Shares
Issue of 15,720,262 Equity Shares aggregating to ₹ [●] million*	
The Issue comprises:	
(1) Employee Reservation Portion#	180,000 Equity Shares reserved for Eligible Employees
(2) Net Issue	15,540,262 Equity Shares
Of which:	
QIB Portion***	7,770,130 Equity Shares
Of which:	
Anchor Investor Portion	Up to 2,331,039 Equity Shares**
Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	Not more than 5,439,091 Equity Shares
Of which:	
Mutual Fund Portion	271,954 Equity Shares
Balance for all QIBs including Mutual Funds	5,167,137 Equity Shares
Non-Institutional Portion***	Not less than 2,331,040 Equity Shares
Retail Portion***, #	Not less than 5,439,092 Equity Shares
Pre and post Issue Equity Shares	
Equity Shares outstanding prior to the Issue	46,440,785 Equity Shares
Equity Shares outstanding after the Issue	62,161,047 Equity Shares
Use of proceeds of the Issue	See the section titled "*Objects of the Issue*" beginning on page 47.

* *The Issue has been approved by the Board by its resolution dated September 13, 2011 and by our shareholders by their resolution dated September 13, 2011.*

** *Our Company may, in consultation with the BRLMs, allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis out of which at least one-third will be available for allocation to domestic Mutual Funds only subject to valid Bids being received at or above the Anchor Investor Allocation Price. For further details, see the section titled "Issue Procedure" beginning on page 207. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion.*

*** *Subject to valid Bids being received at or above the Issue Price, any unsubscribed portion in any reserved category shall be added to the Net Issue to the public. In case of under-subscription in the Net Issue to the public category (except the QIB Portion), spill-over to the extent of under-subscription shall be permitted from the reserved category to the Net Issue to the public. Under-subscription, if any in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion shall be added to the Net Issue. In the event of under-subscription in the Net Issue (except the QIB Portion), spill-over to the extent of under-subscription shall be permitted from the Employee Reservation Portion to the Net Issue.*

\# *Our Company, in consultation with the BRLMs, may decide to offer discounts to the Issue Price amounting to ₹ [●] and ₹ [●] to Retail Individual Bidders and Eligible Employees, respectively.*

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our restated financial statements as at and for the years ended March 31, 2012, 2011, 2010, 2009 and 2008 and for six month periods ending September 30, 2012 and September 30, 2011. These financial statements have been prepared in accordance with the Indian GAAP and the Companies Act, and restated as per the SEBI ICDR Regulations and have been presented under "Financial Statements" beginning on page 129. The summary financial information presented below should be read in conjunction with our restated financial statements and the notes thereto, and the sections "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements" beginning on pages 130 and 129, respectively.

SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(₹ in million)

Particulars	As at 30th September		As at 31st March				
	2012	2011	2012	2011	2010	2009	2008
I. EQUITY AND LIABILITIES							
(1) Shareholder's Funds							
(a) Share Capital	464.41	464.41	464.41	464.42	464.42	788.28	788.28
(b) Reserves and Surplus	2,924.37	2,275.18	2,568.22	1,951.95	1,439.89	730.68	538.93
(2) Non-Current Liabilities							
(a) Long-term	19,684.21	15,143.76	17,702.13	13,064.15	9,057.31	6,945.53	4,054.08
(b) Long term	304.89	206.02	246.18	148.83	102.52	70.51	49.49
(3) Current Liabilities							
(a) Short-term	3,066.61	2,840.11	2,405.15	2,430.31	1,639.22	0.00	779.40
(b) Other current							
-Current maturities of long term	4,601.94	3,313.52	4,753.15	2,603.47	1,880.56	1,547.43	918.96
- Others	427.54	351.36	288.21	247.44	156.25	165.54	97.02
(d) Short-term	16.53	5.10	80.44	62.19	87.71	68.81	46.92
TOTAL EQUITY AND LIABILITIES (I)	**31,490.50**	**24,599.46**	**28,507.89**	**20,972.76**	**14,827.88**	**10,316.78**	**7,273.08**
II. ASSETS							
(1) Non-current assets							
(a) Fixed assets							
(i) Tangible assets	31.06	29.28	31.59	27.91	14.66	10.56	9.62
(ii) Intangible assets	1.34	2.38	1.59	2.06	2.68	0.00	0.00
(b) Non-current investments	80.50	20.50	80.50	20.50	20.50	0.50	0.00
(c) Deferred tax assets (net)	97.67	70.94	79.30	27.56	18.53	11.58	11.52
(d) Long term loans and advances	29,071.13	22,863.24	26,291.11	19,339.52	13,072.55	9,310.29	6,136.38
(2) Current assets							

Particulars	As at 30th September		As at 31st March				
	2012	2011	2012	2011	2010	2009	2008
(a) Current Investment	0.00	0.00	0.00	0.00	0.00	10.74	33.15
(b) Cash and Bank Balances	165.58	92.16	175.02	84.55	641.81	345.54	652.78
(c) Short-term loans and advances	1,957.12	1,454.55	1,779.61	1,418.71	1,021.38	603.65	418.20
(d) Other current assets	86.10	66.41	69.17	51.95	35.77	23.92	11.43
TOTAL ASSETS (II)	**31,490.50**	**24,599.46**	**28,507.89**	**20,972.76**	**14,827.88**	**10,316.78**	**7,273.08**

SUMMARY STATEMENT OF PROFIT AND LOSS AS RESTATED

(₹ in million except per share)

Particulars	For the half year ended 30th September		For the year ended 31st March				
	2012	2011	2012	2011	2010	2009	2008
III. INCOME							
(1) Revenue from operations	1,888.00	1,454.70	3,188.15	2,255.37	1,635.41	1,127.45	688.63
(2) Other Income	0.41	0.41	0.71	4.14	6.86	20.74	25.25
TOTAL INCOME	**1,888.41**	**1,455.11**	**3,188.86**	**2,259.51**	**1,642.27**	**1,148.19**	**713.88**
IV. EXPENDITURE							
(1) Interest and other Financial Charges	1,253.98	919.43	2,023.10	1,278.67	905.33	696.48	425.16
(2) Employee benefit expense	57.51	45.69	105.05	72.20	47.63	35.92	22.66
(3) Depreciation and amortization expense	6.22	5.44	16.17	15.73	7.41	4.37	2.61
(4) Other expenses	33.99	29.46	72.88	61.73	38.82	30.85	44.94
(5) Provision for Non-Performing Assets	48.03	40.92	63.53	16.12	12.10	5.77	(3.36)
(6) Provision for Standard Assets	11.11	14.32	30.42	28.46	18.78	15.12	8.49
(7) Provision for Diminution in Value of Investment	0.00	0.00	0.00	0.00	(6.15)	0.56	2.23
(8) Bad-Debts Written Off	0.00	0.00	0.39	9.59	10.61	5.78	1.44
TOTAL EXPENDITURE (IV)	**1,410.84**	**1,055.26**	**2,311.54**	**1,482.50**	**1,034.53**	**794.85**	**504.17**
V. PROFIT BEFORE TAX ((V) = (III) – (IV))	**477.57**	**399.85**	**877.32**	**777.01**	**607.74**	**353.34**	**209.71**
VI. TAX EXPENSE							
(1) Current tax	139.80	120.00	253.40	220.00	175.00	101.00	60.00
(2) Fringe Benefit tax	0.00	0.00	0.00	0.00	0.00	1.00	0.40
(3) Deferred tax	(18.37)	(43.38)	(51.72)	(9.03)	(6.95)	(0.08)	(1.56)
VII. NET PROFIT/(LOSS) FOR THE PERIOD (VII)	**356.14**	**323.23**	**675.64**	**566.04**	**439.69**	**251.42**	**150.87**
VIII. EARNINGS PER EQUITY SHARE							
Weighted average no. of shares outstanding during the period	46.44	46.44	46.44	46.44	43.84	38.60	32.23
Basic Earnings per	7.67	6.96	14.55	12.19	10.03	6.51	4.68
Diluted Earnings Per	7.67	6.96	14.55	12.19	10.03	5.44	4.41
Nominal Value per Equity Share	10	10	10	10	10	10	10

SUMMARY STATEMENT OF CASH FLOW AS RESTATED

(₹ in million)

Particulars	**For the half year ended 30th September**		**For the year ended 31st March**				
	2012	**2011**	**2012**	**2011**	**2010**	**2009**	**2008**
I. CASH FLOW FROM OPERATING ACTIVITIES							
Net Profit before tax as restated	**477.57**	**399.85**	**877.32**	**777.01**	**607.74**	**353.34**	**209.71**
Adjustment for :							
Depreciation	6.22	5.44	16.17	15.73	7.41	4.37	2.61
Provision for Non-Performing Assets	48.03	40.92	63.53	16.12	12.1	5.77	(3.36)
Provision for Standard Assets	11.11	14.32	30.42	28.46	18.78	15.12	8.49
Provision for Dimunition in Value of Investments	0.00	0.00	0.00	0.00	(6.15)	0.56	2.23
(Profit) / Loss on Sale of Fixed Assets	(0.27)	0.00	(0.02)	(0.14)	0.07	0.00	0.00
(Profit) / Loss on Sale of Investments	0.00	0.00	0.00	0.00	0.66	11.21	(14.86)
Interest Received	(0.14)	(0.41)	(0.68)	(4.00)	(7.04)	(31.76)	(9.8)
Dividend Received	0.00	0.00	0.00	0.00	(0.48)	(0.19)	(0.59)
Operating Profit before Working Capital Changes	**542.52**	**460.12**	**986.74**	**833.18**	**633.09**	**358.42**	**194.43**
Adjustment for :							
Current Assets and Loans and Advances	(17.97)	(22.28)	(64.78)	(45.73)	(34.34)	(21.49)	(5.65)
Current Liabilities	104.70	76.53	(17.72)	68.5	(53.86)	6.06	11.39
Cash Generated from Operations	629.25	514.37	904.24	855.95	544.89	342.99	200.17
Direct Taxes	(133.64)	(120.83)	(245.46)	(246.64)	(155.35)	(97.52)	(64.2)
Net cash from/(used in) operating activities (I)	**495.61**	**393.54**	**658.78**	**609.31**	**389.54**	**245.47**	**135.97**
II. CASH FLOW FROM INVESTING ACTIVITIES							
Purchase of Fixed Assets	(5.52)	(7.13)	(19.39)	(28.78)	(14.28)	(5.33)	(3.67)
Sale of Fixed Assets	0.34	0.00	0.04	0.56	0.03	0.00	0.27
Purchase of Investments	0.00	0.00	(60.00)	0.00	(20.00)	(0.50)	(86.85)
Sale of Investments	0.00	0.00	0.00	0.00	16.23	10.64	104.87
Interest on Deposits	0.14	0.41	0.68	4.00	7.04	31.76	9.80
(Increase)/Decrease in Deposits	0.00	0.00	0.00	0.01	(0.01)	242.66	(242.72)
Dividend Received	0.00	0.00	0.00	0.00	0.48	0.19	0.59
Net cash from/(used in) investing activities (II)	**(5.04)**	**(6.72)**	**(78.67)**	**(24.21)**	**(10.51)**	**279.42**	**(217.71)**

Particulars	For the half year ended 30th September		For the year ended 31st March				
	2012	2011	2012	2011	2010	2009	2008
III. CASH FLOW FROM FINANCING ACTIVITIES							
Proceeds from Issue of Share Capital	0.00	(0.01)	(0.01)	0	0	0	763.60
Increase in Secured & Unsecured Loans	2,515.84	3,226.52	6,829.29	5,547.15	4,132.25	2,804.10	1,887.75
Increase in Housing Loans	(2,956.48)	(3,551.74)	(7,264.94)	(6,635.18)	(4,155.35)	(3,350.34)	(2,131.48)
Dividends Paid	(59.37)	(53.98)	(53.98)	(54.33)	(59.66)	(43.23)	(43.87)
Net cash from/(used in) financing activities (III)	**(500.01)**	**(379.21)**	**(489.63)**	**(1,142.36)**	**(82.76)**	**(589.47)**	**476.02**
Net (Decrease) / Increase in Cash & Cash Equivalents (I+II+III)	**(9.44)**	**7.61**	**90.48**	**(557.26)**	**296.27**	**(64.57)**	**394.27**
Cash & Cash Equivalents at Beginning of Year (IV)	174.88	84.40	84.4	641.66	345.39	409.96	15.69
Cash & Cash Equivalents at End of Year (V)	165.44	92.01	174.88	84.4	641.66	345.39	409.96
Net (Decrease) / Increase in Cash & Cash Equivalents (V - IV)	**(9.44)**	**7.61**	**90.48**	**(557.26)**	**296.27**	**(64.57)**	**394.27**

GENERAL INFORMATION

Our Company was incorporated under the Companies Act as a public limited company on April 4, 2000 as Repco Home Finance Limited and received our certificate of commencement of business on May 2, 2000 from the RoC. There has been no change in the name of our Company since incorporation. For further details, please see the section titled "*History and Certain Corporate Matters*" beginning on page 100.

We are a housing finance company based in Chennai with a network of 73 branches and 19 satellite centres as of December 31, 2012 across Tamil Nadu, Karnataka, Andhra Pradesh, Kerala, Maharashtra, Odisha, Gujarat, West Bengal and the Union Territory of Puducherry. Our Promoter is a government owned cooperative bank registered as a multi-state co-operative society. For further details, please see the section titled "*Our Promoter and Group Entities*" beginning on page 121.

Registered Office

Our registered office is located at Repco Tower, No. 33, North Usman Road, T. Nagar, Chennai 600 017, Tamil Nadu. There has been no change to our registered office since the incorporation of our Company.

Corporate Office

Karumuttu Centre
Second Floor - North Wing
Old No: 498, New No: 634
Anna Salai, Nandanam
Chennai 600 035
Tamil Nadu
Telephone: +91 44 4210 6650
Facsimile: +91 44 4210 6651
Website: www.repcohome.com

Registration Number: 18-44655 of 2000

Company Identification Number: U65922TN2000PLC044655

NHB Registration Number: 01.0030.02

Address of the RoC

The RoC is located at the following address:

The Registrar of Companies, Tamil Nadu (Chennai)
Ministry of Corporate Affairs
Block No. 6, B Wing, 2nd floor
Shastri Bhawan
26 Haddows Road
Chennai 600 006

Board of Directors

Our Board comprises the following:

Name, Designation, Occupation and DIN	Age (Years)	Address
Mr. T.S. Krishna Murthy	72	7-S9, Gokul Tower Apartments Sir C P Ramasamy Road

Name, Designation, Occupation and DIN	Age (Years)	Address
Designation: Chairman, Non-Executive and Independent Director **Occupation**: Retired Public Servant **DIN:** 00279767		Alwarpet, Chennai 600 018 Tamil Nadu, India
Mr. S. C. Panda **Designation**: Non-Executive and Non-Independent Director **Occupation**: Central Government Service **DIN:** 05201584	57	C-II/149, Satya Marg Chanakya Puri Delhi 110 021, India
Mr. K. Deenabandhu **Designation**: Non-Executive and Non-Independent Director **Occupation**: Retired Public Servant **DIN:** 01234952	59	5, Rajarajan Street Kalashatra Colony, Besant Nagar Chennai 600 090 Tamil Nadu, India
Mr. Thomas Paul Diamond **Designation**: Non-Executive and Independent Director **Occupation**: Retired Executive **DIN:** 03139810	75	Flat 305, III Floor Block 3-A, Doshi, Etopia I Panchayat, 3rd Link Road Perungudi, Chennai 600 096 Tamil Nadu, India
Mr. G.R. Sundaravadivel **Designation**: Non-Executive and Independent Director **Occupation**: Retired Banking Executive **DIN:** 00353590	71	Old No. 26, (New No. 16), Agasthiyar Street Gandhi Nagar, Saligramam Chennai 600 093 Tamil Nadu, India
Mr. V. Nadanasabapathy **Designation**: Non-Executive and Independent Director **Occupation**: Retired Banking Executive **DIN:** 03140725	68	Plot No. 1223, Thirumagal Illam Anna Nagar, West End Colony Chennai 600 050 Tamil Nadu, India
Mr. C. Thangaraju **Designation**: Non-Executive and Non-Independent Director **Occupation**: Professional **DIN:** 00223383	45	4A, Paramathi Road Nammakal 637 001 Tamil Nadu, India
Mr. Madhava Menon Shankar Narayanan **Designation**: Non-Executive and Non-Independent Director (*Nominee Director of Carlyle*)	50	11th floor, Brindaban - III, Poonam Nagar Off Mahakali Caves, Andheri (East) Mumbai 400 093

Name, Designation, Occupation and DIN	Age (Years)	Address
Occupation: Service **DIN:** 00219212		Maharashtra, India
Mr. Mahesh Parasuraman **Designation**: Non-Executive and Non-Independent Director (*Nominee Director of Carlyle*) **Occupation**: Service **DIN:** 00233782	37	Flat No. 401, Kum Kum Plot 597, 16th Road, Bandra (West) Mumbai 400 050 Maharashtra, India
Mr. R. Varadarajan **Designation**: Managing Director **Occupation**: Service **DIN:** 02020709	58	No. 55, IV Main Road Gandhi Nagar, Adayar Chennai 600 020 Tamil Nadu, India

For further details and profile of our Directors, please see the section titled "*Our Management*" beginning on page 105.

Company Secretary and Compliance Officer

Our Company Secretary and Compliance Officer is Mr. K. Prabhu whose contact details are as follows:

Repco Home Finance Limited
Karumuttu Centre, Second Floor - North Wing
Old No: 498, New No: 634
Anna Salai, Nandanam, Chennai 600 035
Tamil Nadu, India
Telephone: +91 44 4210 6650
Facsimile: +91 44 4210 6651
E-mail: cs@repcohome.com

Investors can contact the Compliance Officer or the Registrar to the Issue or the BRLMs in case of any pre-Issue or post Issue related problems such as non-receipt of letters of Allotment or refund orders, credit of Allotted Equity Shares in their respective beneficiary account.

All grievances relating to ASBA may be addressed either to (i) the concerned member of the Syndicate and the relevant SCSB, in the event of a Bid submitted by an ASBA Bidder at any of the Syndicate ASBA Centres, or (ii) the Designated Branch of the SCSB where the ASBA Form was submitted by the ASBA Bidder, giving full details such as name, address of the Bidder, number of Equity Shares applied for, amount paid on application, in the event of a Bid submitted directly with a Designated Branch by an ASBA Bidder, in both cases with a copy to the Registrar to the Issue and (iii) the Registered Broker, in case of applications submitted by ASBA Bidders at the Broker Centres. The acknowledgement by the Registered Broker will form basis of complaint and stock exchanges shall disclose publicly the complaint and grievance redressal mechanism along with monetary/non-monetary penalty.

Book Running Lead Managers		
SBI Capital Markets Limited 202, Maker Tower 'E' Cuffe Parade	**IDFC Capital Limited** Naman Chambers, C-32, G-Block, Bandra Kurla Complex, Bandra	**JM Financial Institutional Securities Private Limited** 141, Maker Chambers III

Mumbai 400 005 Maharashtra, India Telephone: +91 22 2217 8300 Facsimile: +91 22 2218 8332 Email: repcohome.ipo@sbicaps.com Investor Grievance Email: investor.relations@sbicaps.com Website: www.sbicaps.com Contact Person: Ms. Sylvia Mendonca/Ms. Rajalakshmi Vaidyanathan SEBI Registration No.: INM000003531	(East) Mumbai 400 051 Maharashtra, India Telephone: +91 22 6622 2600 Facsimile: +91 22 6622 2501 Email: repco.ipo@idfc.com Investor Grievance Email: complaints@idfc.com Website: www.idfccapital.com Contact Person: Mr. Hiren Raipancholia SEBI Registration No.: INM000011336	Nariman Point Mumbai 400 021 Maharashtra, India Telephone: + 91 22 6630 3030 Facsimile: +91 22 2204 2137 E-mail: repco.ipo@jmfl.com Investor Grievance Email: grievance.ibd@jmfl.com Website: www.jmfl.com Contact Person: Ms. Lakshmi Lakshmanan SEBI Registration No.: INM000010361

Syndicate Members	
SBICAP Securities Limited Mafatlal Chambers, 2nd Floor C Wing, N M Joshi Marg Lower Parel Mumbai 400 013 Maharashtra, India Telephone: +91 22 4227 3446 Facsimile: +91 22 4227 3390 Email: archana.dedhia@sbicapsec.com Investor Grievance Email: complaints@sbicapsec.com Website: www.sbicapsec.com Contact Person: Ms. Archana Dedhia SEBI Registration No.: INB231052938	**JM Financial Services Private Limited** Apeejay House, 3rd Floor Dinshaw Vachha Road, Churchgate Mumbai 400 020 Maharashtra, India Telephone: +91 22 2266 5902 Facsimile: +91 22 6654 1511 Email: rohit.singh@jmfl.com Investor Grievance Email: Ig.distribution@jmfl.com Website: www.jmfinancialservices.in Contact Person: Mr. Rohit Singh / Mr. Deepak Vaidya SEBI Registration No.: INB/F/E 231054835, INB/F 011054831
Sharekhan Limited 10th Floor, Beta Building Lodha iThink Techno Campus Off JVLR, Opposite Kanjurmarg Railway Station Kanjurmarg (east) Mumbai 400 042 Maharashtra, India Telephone: +91 22 6115 0000 Facsimile: +91 22 6748 1819 Email: pravin@sharekhan.com, pankajp@sharekhan.com Investor Grievance Email: myaccount@sharekhan.com Website: www.sharekhan.com Contact Person: Mr. Pravin Darji / Mr. Pankaj Patel SEBI Registration No.: BSE - INB011073351 NSE - INB231073330	

Domestic Legal Counsel to the Issuer	**Domestic Legal Counsel to the Underwriters**

J. Sagar Associates	AZB & Partners
Vakils House, 18 Sprott Road Ballard Estate Mumbai 400 001 Maharashtra, India Telephone: +91 22 4341 8600 Facsimile: +91 22 4341 8617 E-mail: repco@jsalaw.com	23rd Floor, Express Towers Nariman Point Mumbai 400 021 Maharashtra, India Telephone: +91 22 6639 6880 Facsimilie: +91 22 6639 6888 E-mail: mumbai@azbpartners.com

Registrar to the Issue
Karvy Computershare Private Limited Plot No. 17 to 24 Vithalrao Nagar Madhapur Hyderabad 500 086 Andhra Pradesh, India Tel: +91 40 2342 0815/0820 Fax: +91 40 2342 0814 E-mail: repco.ipo@karvy.com Investor Grievance E-mail: repco.ipo@karvy.com Website: karisma.karvy.com Contact Person: Mr. M Murali Krishna SEBI Registration No.: INR000000221

Escrow Collection Banks	
IndusInd Bank Limited Cash Management Services Solitaire Corporate Park No 1001, Building No. 10 Ground Floor, Guru Hargovindji Marg, Andheri (east) Mumbai – 400 093 Maharashtra, India Tel: 022 6772 3901 to 3917 Fax: 022 6623 3998 Email: sanjay.vasarkar@indusind.com Website: www.indusind.com Contact Person: Mr. Sanjay Vasarkar SEBI Registration No.: INBI00000002	**YES Bank Limited** IFC, Tower 2 8th Floor, Senapati Bapat Marg Elphinstone (west) Mumbai – 400 013 Maharashtra, India Tel: +91 22 3347 7251 Fax: +91 22 2497 4875 E-mail: dlbtiservices@yesbank.in Website: www.yesbank.in Contact Person: Mr. Shankar Vichare / Mr. Mahesh Shirali SEBI Registration No.: INBI00000935
Development Credit Bank Limited 601 & 602, Peninsula Business Park 6th Floor, Tower A, Senapati Bapat Marg Lower Parel (west), Mumbai 400 013 Maharashtra, India Tel: +91 22 6618 7109 Fax: +91 22 6658 9970 E-mail: gauravagarwal@dcbbank.com Website: www.dcbbank.com Contact Person: Mr. Gaurav Agarwal SEBI Registration No.: INBI0000086	

Public Issue Account Bank(s)
YES Bank Limited IFC, Tower 2 8th Floor, Senapati Bapat Marg Elphinstone (west) Mumbai – 400 013

Maharashtra, India Tel: +91 22 3347 7251 Fax: +91 22 2497 4875 E-mail: dlbtiservices@yesbank.in Website: www.yesbank.in Contact Person: Mr. Shankar Vichare / Mr. Mahesh Shirali SEBI Registration No.: INBI00000935

Refund Bank(s)
YES Bank Limited IFC, Tower 2 8th Floor, Senapati Bapat Marg Elphinstone (west) Mumbai – 400 013 Maharashtra, India Tel: +91 22 3347 7251 Fax: +91 22 2497 4875 E-mail: dlbtiservices@yesbank.in Website: www.yesbank.in Contact Person: Mr. Shankar Vichare / Mr. Mahesh Shirali SEBI Registration No.: INBI00000935

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for ASBA process is available on the SEBI website at the link http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries, and at such other websites as may be prescribed by SEBI from time to time. For details of the Designated Branches with which ASBA Forms can be physically submitted, please refer to the abovementioned link.

Broker Centres

In accordance with SEBI circular dated October 4, 2012, the investors can submit Bid-cum-Application Forms using the stock broker network of the stock exchanges. The Bid-cum-Application Forms will be made available by the Stock Exchanges on their websites/broker terminals for download/print in more than 1,000 centres which are part of the nationwide broker network of stock exchanges and where there is a presence of the brokers' terminals. The details of Broker Centres are available on the websites of BSE and NSE at http://www.bseindia.com/ and http://www.nseindia.com/, respectively.

Statutory Auditor to our Company
M/s R. Subramanian and Co., Chartered Accountants Krishnaswamy Avenue, Luz, Mylapore, Chennai 600 004 Tamil Nadu, India Telephone: +91 44 2499 2261, 2499 1347, 2499 4231 Facsimile: +91 44 2499 1408 Email Id: rs@rscompany.co.in Firm Registration No.: 004137S

Bankers to our Company	
Axis Bank Limited Corporate Branch Ground Floor, Karumuttu Nilayam No.192 Anna Salai, Chennai 600 002 Tamil Nadu, India	Corporation Bank Limited Corporate Banking Branch No.38 & 39 Whites Road Chennai 600 014 Tamil Nadu, India

Bankers to our Company	
Telephone: +91 44 6453 2768 Facsimile: +91 44 2854 4193 Email Id: g.purshothaman@axisbank.com	Telephone: +91 44 2852 1705 Facsimile: +91 44 2852 2919 Email Id: cb122@corpbank.co.in
Canara Bank Prime Corporate Branch Ground Fllor, Spencer Tower-I, 770 Anna Salai, Chennai-600002 Tamil Nadu, India Telephone: +91 44 2849 7014 Facsimile: +91 44 2849 7016 Email Id: rafeea@canarabank.com	HDFC Bank Limited Mylapore Branch No.115, Dr Radhakrishnan Salai 7th Floor, Mylapore, Chennai 600 004 Tamil Nadu, India Telephone: +91 44 2847 7164 Facsimile: +91 44 2847 7088 Email Id: nagendran.kannan@hdfcbank.com
IDBI Bank Limited Saidapet Branch 115, Anna Salai, P B No.805 Saidapet, Chennai 600 015 Tamil Nadu, India Telephone: +91 44 2220 2001 Facsimile: +91 44 2235 5226 Email Id: spraveen@idbi.co.in	Indian Bank Thousand Lights Branch No.611 Anna Salai Chennai 600 006 Tamil Nadu, India Telephone: +91 44 2829 1622 Facsimile: +91 44 2829 3637 Email Id: ibthouli@yahoo.com
Indian Overseas Bank Nungambakkam Branch 109 Nungambakkam High Road Chennai 600 034 Tamil Nadu, India Telephone: +91 44 2827 3989 Facsimile: +91 44 2824 1502 Email Id: ngbkmbr@chemsco.iobnet.co.in	Karur Vysya Bank Limited T. Nagar Branch 108/1 G N Chetty Road T. Nagar, Chennai 600 017 Tamil Nadu, India Telephone: +91 44 2815 8731 Facsimile: +91 44 2815 8733 Email Id: tnagar@kvbmail.com
Oriental Bank of Commerce Overseas Branch 467, Anna Salai Chennai 600 035 Tamil Nadu, India Telephone: +91 44 2436 4924 Facsimile: +91 44 2434 4521 Email Id: bmo535@obc.co.in	Repco Bank Limited Corporate Branch Alwarpet Chennai 600 017 Tamil Nadu, India Telephone: +91 44 2499 6161 Telephone: +91 44 4265 8809 Email Id: cbc@repcobank.co.in
State Bank of India Industrial Finance Branch 155 Anna Salai, Chennai 600 002 Tamil Nadu, India Telephone: +91 44 2860 3183 Facsimile: +91 44 2860 2042 Email Id: senthil.raja@sbi.co.in	Syndicate Bank Mount Road Branch, No.15/38 SIC Building Ist Floor, Anna Salai Chennai 600 002 Tamil Nadu, India Telephone: +91 44 2841 4439 Facsimile: +91 44 2841 9982 Email Id: tn.6002cheannsalai@syndicatebank.co.in

Statement of *inter se* Responsibilities of the BRLMs

The following table sets forth the *inter se* allocation of responsibility and co-ordination for various activities in the Issue amongst the BRLMs:

Sr. No	Activity	Responsibility	Co-ordinator
1	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, etc.	SBI Caps, IDFC Capital and JM Financial	SBI Caps
2	Due diligence of our Company's operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges and SEBI including finalization of Prospectus.	SBI Caps, IDFC Capital and JM Financial	SBI Caps
3	Drafting and approval of pre-Issue statutory advertisement.	SBI Caps, IDFC Capital and JM Financial	SBI Caps
	Drafting and approval of all non-statutory advertisements, approval of all publicity material including corporate advertisement and brochure, among others.	SBI Caps, IDFC Capital and JM Financial	IDFC Capital
	Drafting and approval of post issue statutory advertisement.	SBI Caps, IDFC Capital and JM Financial	JM Financial
4	**Appointment of Intermediaries:**	SBI Caps, IDFC Capital and JM Financial	
	• Appointment of Printer(s)	SBI Caps, IDFC Capital and JM Financial	SBI Caps
	• Appointment of advertising agency	SBI Caps, IDFC Capital and JM Financial	IDFC Capital
	• Appointment of Registrar and Banker(s) to the Issue	SBI Caps, IDFC Capital and JM Financial	JM Financial
5	Institutional marketing of the Issue, which will cover, *inter-alia*, • Preparing roadshow presentation and frequently asked questions • Finalizing the list and division of investors for one-to-one meetings • Finalizing road show schedules and investor meeting schedules	SBI Caps, IDFC Capital and JM Financial	IDFC Capital
6	Domestic Institutional marketing of the Issue, which will cover, *inter-alia*, • Finalizing the list and division of investors for one-to-one meetings • Finalizing road show schedules and investor meeting schedules	SBI Caps, IDFC Capital and JM Financial	JM Financial
7	Retail marketing of the Issue, which will cover, *inter-alia*, • Formulating marketing strategies, preparation of publicity budget • Finalizing media and public relations strategy • Finalizing centres for holding conferences for brokers, etc. • Finalizing collection centres • Follow-up on distribution of publicity and Issue material including application form, the Prospectus	SBI Caps, IDFC Capital and JM Financial	IDFC Capital

Sr. No	Activity	Responsibility	Co-ordinator
	and deciding on the quantum of the Issue material		
8	Non-Institutional marketing of the Issue, which will cover, *inter-alia*, • Formulating marketing strategies, preparation of publicity budget • Finalizing media and public relations strategy • Finalizing centres for holding conferences for brokers, etc. • Finalizing collection centres • Follow-up on distribution of publicity and Issue material including application form, the Prospectus and deciding on the quantum of the Issue material	SBI Caps, IDFC Capital and JM Financial	IDFC Capital
9	Finalization of Issue Price in consultation with our Company	SBI Caps, IDFC Capital and JM Financial	IDFC Capital
10	Co-ordination with Stock Exchanges for book building software, bidding terminals, mock trading, etc.	SBI Caps, IDFC Capital and JM Financial	IDFC Capital
11	The post-bidding activities including management of Escrow Accounts, co-ordination of non-institutional allocation, intimation of allocation and dispatch of refunds to Bidders etc. Post Issue activities, which shall involve essential follow-up steps, which include follow-up with Bankers to the Issue and Self Certified Syndicate Banks to get quick estimates of collection and advising the Issuer about the closure of the Issue, based on correct figures, finalization of the basis of allotment or weeding out of multiple applications, listing and trading of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post Issue activity such as Registrars to the Issue, Bankers to the Issue, Self Certified Syndicate Banks. The BRLMs shall be responsible for ensuring that these agencies fulfil their functions and enable it to discharge this responsibility through suitable agreements with our Company and Anchor Investor allocation process in consultation with Issuer and informing Stock Exchanges and any other authorities as required.	SBI Caps, IDFC Capital and JM Financial	JM Financial

IPO Grading Agency

ICRA Limited
Karumuttu Centre, 5th floor
634, Anna Salai, Nandanam
Chennai - 600 035
Tamil Nadu, India
Tel: +91 44 4596 4300
Fax: +91 44 2434 3663
Email: info@icraindia.com
Website: www.icra.in
Contact person: K. Ravichandran
SEBI Registration No.: IN/CRA/003/1999

IPO Grading

The Issue has been graded by ICRA Limited and has been assigned the "IPO Grade 3/5" indicating average fundamentals through its letter dated December 18, 2012, pursuant to Regulation 26(6) of the SEBI ICDR Regulations. The IPO grading is assigned on a five point scale from 1 to 5 wherein an "IPO Grade 5" indicates strong fundamentals and "IPO Grade 1" indicates poor fundamentals. Attention is drawn to the disclaimer appearing under the paragraph titled "*Disclaimer of IPO Grading Agency*" in the section titled "*Other Regulatory and Statutory Disclosures*" on page 196. A copy of the report provided by ICRA Limited, furnishing the rationale for its grading is annexed to the Red Herring Prospectus and will be made available for inspection at our Registered Office from 10.00 a.m. to 4.00 p.m. on Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date. For details in relation to rationale/description furnished by the IPO Grading Agency, see Annexure beginning on page 276.

Credit Rating

As this is an Issue comprising only Equity Shares, credit rating is not required.

Monitoring Agency

Since the Issue size is expected to be less than ₹ 5,000 million, there is no requirement for appointment of a monitoring agency under Regulation 16 of the SEBI ICDR Regulations.

Expert Opinion

Except for the reports provided by the IPO Grading Agency, furnishing the rationale for its grading of the Issue, pursuant to the SEBI ICDR Regulations, and (i) the Auditor's report on the restated financial statements, and (ii) statement of tax benefits, as provided by the Auditors, M/s R. Subramanian and Co., Chartered Accountants (copy of which reports have been included in this Red Herring Prospectus), we have not obtained any other expert opinions. The Auditors, M/s R. Subramanian and Co., have provided their written consent for the inclusion of their respective reports in this Red Herring Prospectus and being named as an expert, and such consents have not been withdrawn at the time of delivery of this Red Herring Prospectus.

Trustees

As this is an Issue of Equity Shares, the appointment of trustees is not required.

Project Appraisal

The object of the Issue has not been appraised by an independent agency. The object of the Issue and the means of finance thereof are based on internal estimates of our Company.

Book Building Process

"Book building" refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus, the Bid-cum-Application Forms. The Issue Price shall be determined by our Company in consultation with the BRLMs, after the Bid/Issue Closing Date. The principal parties involved in the Book Building Process are:

(1) our Company;
(2) the BRLMs;
(3) Syndicate Members who are intermediaries registered with SEBI or registered as brokers with the Stock Exchanges and eligible to act as Underwriters;
(4) Registrar to the Issue;
(5) Bankers to the Issue;
(6) SCSBs; and
(7) Registered Brokers

The Issue is being made through the Book Building Process, wherein 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. The allotment of Equity Shares to each Retail Individual Bidder shall not be less than minimum bid lot, subject to availability of Equity Shares in Retail Investor category, and the remaining available Equity Shares, if any, shall be allotted on proportionate basis. Our Company may, in consultation with the BRLMs, allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis at the Anchor Investor Allocation Price, out of which at least one-third shall be reserved for allocation to domestic Mutual Funds only. For further details, please see the section titled "*Issue Procedure*" beginning on page 207. Allocation to Anchor Investors shall be on a discretionary basis subject to minimum number of two Anchor Investors. An Anchor Investor shall make a minimum Bid of such number of Equity Shares that the Bid Amount is at least ₹ 100 million. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion.

Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. In the event that the demand from Mutual Funds is greater than 271,954 Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, in the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund Portion will be added to the Net QIB Portion and allocated to QIBs (including Mutual Funds) on a proportionate basis, subject to valid Bids at or above Issue Price.

Further, 180,000 Equity Shares shall be reserved for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received from them at or above the Issue Price. Any unsubscribed portion in any reserved category shall be added to the Net Issue to the public. In case of under-subscription in the Net Issue to the public category (except the QIB Portion), spill-over to the extent of under-subscription shall be permitted from the reserved category to the Net Issue to the public. Under-subscription, if any in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion shall be added to the Net Issue. In the event of under-subscription in the Net Issue (except the QIB Portion), spill-over to the extent of under-subscription shall be permitted from the Employee Reservation Portion to the Net Issue.

QIBs and Non-Institutional Bidders can participate in the Issue only through the ASBA process. Retail Individual Bidders and Eligible Employees have the option of participating through the ASBA process or non-ASBA process at their discretion. Anchor Investors are not permitted to participate through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw nor lower the size of their Bids at any stage. The Retail Individual Bidder can revise their Bids during the Bidding/Issue Period and withdraw their Bids until finalization of the Basis of Allotment. For further details, see the sections titled "*Issue Structure*" and "*Issue Procedure*" beginning on pages 202 and 207 respectively.

Our Company will comply with the SEBI ICDR Regulations and any other ancillary directions issued by SEBI for the Issue. In this regard, our Company has appointed the BRLMs to manage the Issue and procure subscriptions to the Issue.

The Book Building Process is subject to change. Bidders are advised to make their own judgment about an investment through this process prior to submitting a Bid.

Steps to be taken by the Bidders for Bidding:

- Check eligibility for making a Bid. For further details, please see the section titled "*Issue Procedure*" beginning on page 207. Please note that all Bidders other than Anchor Investors are entitled to Bid via ASBA. In this regard, please refer to the section titled "*Issue Procedure*" beginning on page 207;
- Ensure that you have an active demat account and the demat account details are correctly mentioned in the Bid cum-Application-Form or the ASBA Form, as the case may be;
- Ensure that the Bid-cum-Application Form or ASBA Form is duly completed as per the instructions given in the Red Herring Prospectus and in the respective forms;
- Except for Bids (i) on behalf of the Central or State Government and the officials appointed by the courts, and (ii) from the residents of the state of Sikkim (in accordance with to SEBI circular dated April 3, 2008), each of the Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details (as defined below) received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in active status; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. Applications in which the PAN is not mentioned will be rejected;
- Ensure the correctness of your Demographic Details, given in the Bid-cum-Application Form or ASBA Form, with the details recorded with your Depository Participant;
- Ensure the correctness of your PAN, beneficiary account number, DP ID and Client ID given in the Bid-cum-Application Form and the ASBA Form. Based on these parameters, the Registrar will obtain details of the Bidders from the Depositories including the Bidder's name and bank account number, among others;
- Bidders can submit their Bids through ASBA either by submitting ASBA Forms to (i) the members of the Syndicate, in the event of a Bid at any of the Syndicate ASBA Centres only; (ii) the SCSBs with whom the ASBA Account is maintained; or (iii) by submitting the ASBA Forms at the Broker Centres. Bids by ASBA Bidders to the SCSBs through physical ASBA will only be submitted at the Designated Branches. For further details please see "*Issue Procedure – Bid-cum-Application Form*" on page 208. ASBA Bidders should ensure that the specified bank accounts have adequate credit balance at the time of submission of the ASBA Form to the members of the Syndicate, sub-Syndicate or Registered Broker Centres or SCSB to ensure that their Bid is not rejected; and
- Bids by QIBs (excluding Anchor Investors) at any of the Syndicate ASBA Centres shall be submitted to the members of the Syndicate or to the Designated Branches of the SCSBs. Bids by QIBs (excluding Anchor Investors) through physical ASBA at any Bidding Centre other than a Syndicate ASBA Centre shall be submitted directly to the Designated Branches of the SCSBs. Bids by QIBs can be made by submitting applications at the Broker Centres.

Illustration of Book Building Process and the Price Discovery Process

(Investors should note that this example is solely for the purpose of illustration and is not specific to the Issue. This example also excludes Bidding by Anchor Investors)

Bidders can bid at any price within the price band. For instance, assuming a price band of ₹ 20 to ₹ 24 per share, an issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the Bidding Centres during the Bidding/Issue Period. The illustrative book as shown below indicates the demand for the shares of the issuer company at various prices and is collated from bids from various investors.

Bid Quantity	Bid Price (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, *i.e.* ₹ 22 in the above example. The issuer, in consultation with the book running lead managers, will finalise the issue price at or below such cut-off, *i.e.* at or below ₹ 22. All bids at or above the issue price and cut-off price are valid bids and are considered for allocation in the respective categories.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before the Allotment. In such event, our Company shall issue a public notice in an English language national daily newspaper, a Hindi language national daily newspaper, and a Tamil language daily newspaper, each with wide circulation, in which the pre-Issue advertisements were published, which shall include reasons for such withdrawal, within two days of closure of the Issue. Our Company shall also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed and the BRLMs, through the Registrar to the Issue, shall notify the SCSBs to unblock the ASBA Accounts.

Further, in the event of a withdrawal of the Issue, if our Company subsequently determines that it will proceed with an initial public offering of its Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the final approval of the RoC, after the Prospectus is filed with the RoC.

Bid/Issue Programme

ISSUE OPENS ON	**Wednesday, March 13, 2013***
ISSUE FOR QIBS CLOSES ON	**Friday, March 15, 2013**
ISSUE FOR RETAIL AND NON INSTITUTIONAL BIDDERS (INCLUDING ELIGIBLE EMPLOYEES BIDDING UNDER THE EMPLOYEE RESERVATION PORTION) CLOSES ON	**Friday, March 15, 2013**

**Our Company may consider participation by Anchor Investors. The Anchor Investors shall Bid on the Anchor Investor Bidding Date i.e. one Working Day prior to the Bid/Issue Opening Date.*

Our Company in consultation with the BRLMs may allocate up to 30% of the QIB Portion, i.e. 2,331,039 Equity Shares, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed. For further details, please see the section titled "*Issue Procedure*" beginning on page 207.

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids will be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time) during the Bidding/Issue Period at the Bidding centres mentioned in the Bid-cum-Application Form, or in the case of ASBA Bidders, at the Designated Branches of the SCSBs, at the branches of the members of the Syndicate at the Syndicate ASBA centres or at the Broker Centres, as the case may be, **except that on the Bid/Issue Closing Date (which for QIBs may be a day prior to the Bid/Issue Closing Date for other non-QIB Bidders), Bids will be accepted only between 10.00 a.m. and 3.00 p.m.** (Indian Standard Time) and uploaded until (i) 5.00 p.m. in case of Bids by QIB Bidders, Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion; and until (ii) 4.00 p.m. for Non-Institutional Bidders. Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, Bidders other than QIB Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and no later than 12.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders other than QIB Bidders and Anchor Investors are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public issues, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation in the Issue. If such Bids are not uploaded, our Company, BRLMs and the members of the Syndicate will not be responsible. Bids will be accepted only on Working Days, *i.e.* Monday to Friday (excluding any public holiday).

On the Bid/Issue Closing Date, extension of time may be granted by the Stock Exchanges only for uploading the Bids received from Retail Individual Bidders, after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid-cum-Application Forms and ASBA Forms as stated herein and reported by the BRLMs to the Stock Exchanges within half an hour of such closure.

Our Company, in consultation with the BRLMs, reserve the right to revise the Price Band during the Bidding/Issue Period in accordance with the SEBI ICDR Regulations provided that the Cap Price shall be less than or equal to 120% of the revised Floor Price and the revised Floor Price shall not be less than the face value of the Equity Shares. Subject to compliance with the above-mentioned condition, the Floor Price can move up or down to the extent of 20% of the Floor Price advertised at least five Working Days before the Bid/Issue Opening Date and the Cap Price will be revised accordingly.

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional Working Days after revision of Price Band subject to the Bidding/Issue Period not exceeding ten Working Days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to the SCSBs and the Stock Exchanges, by issuing a press release, and also by indicating the change on the website of the BRLMs and at the terminals of the Syndicate Members.

Underwriting Agreement

After the determination of the Issue Price, but prior to filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the Underwriters shall be responsible for bringing in the amount devolved in the event the respective Syndicate Members do not fulfil their underwriting obligations. The underwriting shall be to the extent of the Bids uploaded through its Syndicates/sub-Syndicates or at by submission of applications at the Broker Centres, subject to Regulation 13 of the SEBI ICDR Regulations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be completed before filing of the Prospectus with the RoC.)

Details of the Underwriters	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten (₹ In million)
[●]	[●]	[●]
[●]	[●]	[●]
Total	[●]	[●]

The above-mentioned amount is indicative and will be finalised after determination of the Issue Price and finalization of the 'Basis of Allotment'.

In the opinion of our Board (based on a certificate given by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above-mentioned Underwriters are registered with SEBI under section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. Our Board, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in the proportion of their underwriting commitments set forth in the table above. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by them. In the event of any default in payment, the Underwriters will be required to procure/subscribe for Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

CAPITAL STRUCTURE

The share capital of our Company, as of the date of this Red Herring Prospectus, before and after the Issue, is set forth below:

(in ₹* million *except share data)

		Aggregate nominal value	Aggregate value at Issue Price
A)	**AUTHORISED SHARE CAPITAL**		
	100,000,000 Equity Shares	1,000.00	-
B)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE**		
	46,440,785 Equity Shares	464.41	-
C)	**PRESENT ISSUE IN TERMS OF THIS RED HERRING PROSPECTUS**		
	15,720,262 Equity Shares	157.20	[●]
	Comprising		
	Employee Reservation Portion of 180,000 Equity Shares	1.80	[●]
	Net Issue of 15,540,262 Equity Shares	155.40	[●]
D)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE**		
	62,161,047 Equity Shares	621.61	-
E)	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue	599.19	
	After the Issue*	[●]	

**Determination post finalization of the Issue Price.*

The Issue has been authorised by a resolution of our Board dated September 13, 2011, and by a special resolution passed pursuant to Section 81(1A) of the Companies Act, at the EGM held on September 13, 2011.

Changes in Authorised Share Capital

a) The initial authorised share capital of ₹ 200,000,000 comprising 20,000,000 Equity Shares, was reclassified to ₹ 200,000,000 divided into 17,000,000 Equity Shares and 3,000,000 preference shares of ₹ 10 each pursuant to a resolution of the shareholders of our Company dated March 15, 2001.

b) The authorised share capital of ₹ 200,000,000 divided into 17,000,000 Equity Shares and 3,000,000 preference shares of ₹ 10 each was reclassified to ₹ 200,000,000 comprising 20,000,000 Equity Shares pursuant to a resolution of the shareholders of our Company dated March 30, 2006.

c) The authorised share capital of our Company of ₹ 200,000,000 comprising 20,000,000 Equity Shares was increased to ₹ 500,000,000 divided into 50,000,000 Equity Shares pursuant to a resolution of the shareholders of our Company dated May 24, 2006.

d) The authorised share capital was increased from ₹ 500,000,000 divided into 50,000,000 Equity Shares to ₹ 1,000,000,000 divided into 59,776,000 Equity Shares and 40,224,000 preference shares of ₹ 10 each pursuant to a resolution of the shareholders of our Company dated December 24, 2007.

e) The authorised share capital of ₹ 1,000,000,000 divided into 59,776,000 Equity Shares and 40,224,000 preference shares of ₹ 10 each was reclassified to ₹ 1,000,000,000 comprising 100,000,000 Equity Shares pursuant to a resolution of the shareholders of our Company dated April 29, 2011.

Notes to the Capital Structure

1. Share capital history

a) History of equity share capital of our Company

The following table sets forth the history of equity share capital of our Company:

Date of allotment*	Number of Equity Shares	Face value (₹)	Issue price (₹)	Nature of consideration	Reasons for allotment	Cumulative number of Equity Shares	Cumulative Equity Share capital (₹)	Cumulative Equity Share premium (₹)
April 4, 2000	70	10	10	Cash	Initial subscription to the Memorandum[(1)]	70	700	Nil
March 22, 2001	7,200,000	10	10	Cash	Rights issue[(2)]	7,200,070	72,000,700	Nil
July 31, 2004	1,500,000	10	10	Cash	Preferential allotment[(3)]	8,700,070	87,000,700	Nil
July 22, 2005	3,000,000	10	10	Other than cash	Allotment pursuant to conversion of cumulative convertible preference shares [(4)]	11,700,070	117,000,700	Nil
March 15, 2006	8,299,930	10	10	Cash	Rights issue[(5)]	20,000,000	200,000,000	Nil
June 29, 2006	10,000,000	10	10	Cash	Rights issue[(6)]	30,000,000	300,000,000	Nil
December 28, 2007	8,602,908	10	42	Cash	Preferential allotment[(7)]	38,602,908	386,029,080	275,293,056
July 30, 2009	7,837,877	10	51.32	Cash	Allotment pursuant to conversion of CCPS[(8)]	46,440,785	464,407,850	599,154,286

** All Equity Shares were fully paid-up at the time of allotment.*

[(1)] Initial allotment of 10 Equity Shares each to Mr. M. Balasubramanian s/o Mr. C. Manickam, Mr. A. Vijayraghavan, Mr. P. Venugopal, Mr. M. Balasubramanaian s/o Mr. C. Muruganan, Mr. V. Sivaiah, Mr. T.E. Thiruvengadam and Mr. M. Lakshminarayanan.

[(2)] Allotment of 7,200,000 Equity Shares to our Promoter.

[(3)] Allotment of 1,500,000 Equity Shares to our Promoter.

[(4)] Allotment of 3,000,000 Equity Shares to our Promoter, pursuant to conversion of 3,000,000 cumulative convertible preference shares of a face value of ₹ 10 each issued on March 22, 2001.

[(5)] Allotment of 8,299,930 Equity Shares to our Promoter.

[(6)] Allotment of 10,000,000 Equity Shares to our Promoter.

[(7)] Preferential allotment of a total of 8,602,908 Equity Shares with the following break-up: 8,555,000 Equity Shares to Carlyle; 42,775 Equity Shares to Mr. Madhava Menon Shankar Narayanan and 1,711 Equity Shares each to Mr. Mahesh Parasuraman, Mr. Nikhil Mohta and Mr. Manish Gaur.

[(8)] Allotment of 7,837,877 Equity Shares pursuant to the conversion of 40,224,000, CCPS allotted on December 28, 2007 with the following break-up: 7,794,232 Equity Shares to Carlyle; 38,971 Equity Shares to Mr. Madhava Menon Shankar Narayanan and 1,558 Equity Shares

each to Mr. Mahesh Parasuraman, Mr. Nikhil Mohta and Mr. Manish Gaur. The conversion of the CCPS into Equity Shares was at a share premium of ₹41.32 each. The difference of ₹152 in the cumulative Equity Share premium is due to rounding-off.

b) History of Differential Equity Shares of our Company

Date of allotment/ buy-back	Number of Differential Equity Shares	Face value (₹)	Issue/ buy-back price (₹)	Nature of consideration	Reasons	Cumulative number of Differential Equity Shares	Cumulative Differential Equity Share capital (₹)	Cumulative Differential Equity Share premium (₹)
December 28, 2007	1,004*	10	42	Cash	Preferential allotment (1)	1,004	10,040	32,128
September 24, 2011 (2)	(1,004)	10	10	Cash	Buy-back	Nil	Nil	32,128

** All Differential Equity Shares were fully paid-up at the time of allotment.*

(1) Preferential allotment of 1,004 Differential Equity Shares as per the terms of the SHA with the following break-up: 1,000 Equity Shares to Carlyle and 1 Equity Share each to Mr. Madhava Menon Shankar Narayanan, Mr. Mahesh Parasuraman, Mr. Nikhil Mohta and Mr. Manish Gaur.

(2) Our Board approved a buy-back of the Differential Equity Shares of our Company on September 13, 2011, pursuant to which the Company has bought back all the 1,004 Differential Equity Shares, in accordance with the provisions of the Companies Act and the Private Limited Company and Unlisted Public Company (Buy-Back of Securities) Rules, 1999, as amended.

c) History of the preference share capital of our Company

Date of allotment*	Number of preference shares	Face value (₹)	Issue price (₹)	Nature of consideration	Reasons for allotment	Cumulative number of preference shares	Cumulative preference share capital (₹)	Cumulative preference share premium (₹)
March 22, 2001	3,000,000	10	10	Other than cash	Rights issue (1)	3,000,000	30,000,000	Nil
July 22, 2005	(3,000,000)	10	-	-	Conversion into Equity Shares	Nil	Nil	Nil
December 28, 2007	40,224,000	10	10	Cash	Preferential allotment (2)	40,224,000	402,240,000	Nil
July 30, 2009	(40,224,000)	10	-	-	Conversion into Equity Shares	Nil	Nil	Nil

** All preference shares were fully paid-up at the time of allotment.*

(1) Allotment of 3,000,000 fully paid-up cumulative convertible preference shares to our Promoter pursuant to the transfer of live housing loan accounts by our Promoter in lieu of share application money. These were converted into 3,000,000 Equity Shares at ₹10 per Equity Share on July 22, 2005.

(2) Preferential allotment of 40,224,000 CCPS with the following break-up: 40,000,000 CCPS to Carlyle; 200,000 CCPS to Mr. Madhava Menon Shankar Narayanan and 8,000 CCPS each to Mr. Mahesh Parasuraman, Mr. Nikhil Mohta and Mr. Manish Gaur. These were converted into 7,837,877 Equity Shares at ₹51.32 per Equity Share on July 30, 2009.

d) Shares issued for consideration other than cash

The details of Equity Shares issued for consideration other than cash is as follows:

Date of Allotment	Number of Equity Shares	Face value (₹)	Issue Price (₹)	Reasons for Allotment	Allottees
July 22, 2005	3,000,000	10	10	Allotment pursuant to	Promoter

Date of Allotment	Number of Equity Shares	Face value (₹)	Issue Price (₹)	Reasons for Allotment	Allottees
				conversion of cumulative convertible preference shares	

Other than as mentioned above, no benefit has accrued to our Company out of the issue of Equity Shares for consideration other than cash.

The details of preference shares of our Company issued for consideration other than cash is as follows:

Date of Allotment	Number of cumulative convertible preference shares	Face Value (₹)	Issue Price (₹)	Reasons for Allotment	Allottees
March 22, 2001	3,000,000	10	10	Rights issue[(1)]	Promoter

[(1)] *Allotment of 3,000,000 fully paid-up cumulative convertible preference shares, made to our Promoter pursuant to the transfer of live housing loan accounts by our Promoter in lieu of share application money. These were converted into 3,000,000 fully paid-up Equity Shares at ₹ 10 per Equity Share on July 22, 2005.*

Other than as mentioned above, no benefit has accrued to our Company out of the issue of preference shares for consideration other than cash.

2. History of build-up, Contribution and Lock-in of Promoter's shareholding

a) Build-up of Promoter's shareholding in our Company

Set forth below are the details of the build-up of shareholding of our Promoter:

Date of Allotment/Transfer*	No. of Equity Shares	Face Value (₹)	Issue/Transfer Price per Equity Share (₹)	Pre Issue %	Post Issue %	Consideration	Nature of Transaction
March 22, 2001	7,200,000	10	10	15.50	11.58	Cash	Rights Issue
July 31, 2004	1,500,000	10	10	3.23	2.41	Cash	Preferential Allotment
July 22, 2005	3,000,000	10	10	6.46	4.83	Other than cash	Allotment pursuant to conversion of 3,000,000 cumulative convertible preference shares issued on March 22, 2001
March 15, 2006	8,299,930	10	10	17.87	13.35	Cash	Rights issue
June 29, 2006	10,000,000	10	10	21.53	16.09	Cash	Rights issue
September 30, 2008	(2,500,000)	10	42	(5.38)	(4.02)	Cash	Transfer to Carlyle
October 17, 2008	(14,000)	10	42	(0.03)	(0.02)	Cash	Transfer to individuals[(1)]
August 26, 2009	(23,696)	10	51.32	(0.05)	(0.04)	Cash	Transfer to

							individuals(2)
September 3, 2009	(4,231,628)	10	51.32	(9.11)	(6.81)	Cash	Transfer to Carlyle
Total	**23,230,606**			**50.02**	**37.37**		

** The Equity Shares were fully paid-up on the date of their allotment. As on the date of the filing of this Red Herring Prospectus, our Promoter has not pledged any of its Equity Shares.*

(1) 12,500 Equity Shares to Mr. Madhava Menon Shankar Narayanan and 500 Equity Shares each to Mr. Mahesh Parasuraman, Mr. Nikhil Mohta and Mr. Manish Gaur.

(2) 21,158 Equity Shares to Mr. Madhava Menon Shankar Narayanan and 846 Equity Shares each to Mr. Mahesh Parasuraman, Mr. Nikhil Mohta and Mr. Manish Gaur.

b) Details of Promoter's contribution locked-in for three years

Pursuant to Regulations 32 and 36(a) of the SEBI ICDR Regulations, 12,432,210 Equity Shares aggregating to 20% of the post Issue paid-up capital of our Company held by our Promoter shall be considered as the minimum promoter's contribution and locked-in for a period of three years from the date of Allotment ("**Promoter's Contribution**").

The lock-in of our Promoter's Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchanges before the listing of the Equity Shares.

Our Promoter has, pursuant to a letter dated September 27, 2011, consented to include 12,432,210 Equity Shares held by it, in aggregate, as may constitute 20% of the post Issue paid-up share capital of our Company as Promoter's Contribution and has agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner our Promoter's Contribution from the date of filing the DRHP, until the commencement of the lock-in period specified above, or for such other time as required under the SEBI ICDR Regulations. Details of Promoter's Contribution are as provided below:

Date of allotment/transfer *	No. of Equity Shares locked-in	Face value (₹)	Issue price per Equity Share (₹)	Nature of allotment	Cumulative % of post Issue capital
March 22, 2001	7,200,000	10	10	Rights Issue	11.58
July 31, 2004	1,500,000	10	10	Preferential Allotment	13.99
July 22, 2005	3,000,000	10	10	Allotment pursuant to conversion of 3,000,000 cumulative convertible preference shares issued on March 22, 2001	18.82
March 15, 2006	732,210	10	10	Rights Issue	20.00
Total	**12,432,210**				**20.00**

**The Equity Shares were fully paid-up on the date of their allotment.*

All the Equity Shares held by our Promoter are eligible for the Promoter's Contribution and post Issue shareholding of the Promoters will not be less than 20% in terms of Regulation 32 of the SEBI ICDR Regulations.

The Promoter's Contribution has been brought in to the extent of not less than the specified minimum lot and from our Promoter, as required under the SEBI ICDR Regulations.

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoter's Contribution under Regulation 33 of the SEBI ICDR Regulations. In this connection, as per Regulation 33 of the

SEBI ICDR Regulations, our Company confirms that the Equity Shares locked-in do not, and shall not, consist of:

a) Equity Shares acquired during the preceding three years for consideration other than cash and/or revaluation of assets or capitalisation of intangible assets or bonus shares out of revaluations reserves or unrealised profits or bonus shares which are otherwise ineligible for computation of Promoter's Contribution;

b) Equity Shares acquired during the preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;

c) Equity Shares issued to our Promoter upon conversion of a partnership firm;

d) Equity Shares held by our Promoter that are subject to any pledge; and

e) Equity Shares for which specific written consent has not been obtained from the Promoter for their inclusion in the minimum Promoter's contribution, subject to lock-in.

All the Equity Shares held by our Promoter are and will continue to be in dematerialised form prior to the filing of the Red Herring Prospectus with the RoC.

For such time that the Equity Shares under the Promoter's Contribution are locked-in as per the SEBI ICDR Regulations, the Promoter's Contribution cannot be pledged since no loan has been granted for the purpose of financing the objects of the Issue. For such time that they are locked-in as per the SEBI ICDR Regulations, the Equity Shares held by our Promoter in excess of the Promoter's Contribution can be pledged only with a scheduled commercial bank or public financial institution as collateral security for loans granted by such banks or financial institutions if the pledge of the Equity Shares is one of the terms of the sanction of the loan.

c) Shareholding of Promoter Group and directors of Promoter in our Company

Neither our Promoter Group entities nor the directors of our Promoter hold any Equity Shares in our Company, as on the date of this Red Herring Prospectus.

Other than our Group Entities, there are no other entities and no individuals which form part of our Promoter Group.

3. Details of share capital locked-in for one year

Except for the Promoter's Contribution which shall be locked-in as above, the entire pre-Issue paid-up capital of our Company (including those Equity Shares held by our Promoter), shall be locked-in for a period of one year from the date of Allotment in terms of Regulation 36(b) and Regulation 37 of the SEBI ICDR Regulations. In terms of Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by the promoters may be transferred to and among the promoters and or members of the promoter group or a new promoter or persons in control of our Company, subject to continuation of lock-in in the hands of the transferee for the remaining period and subject to the provisions of the Takeover Code. The Equity Shares held by persons other than our Promoter prior to the Issue, may be transferred to any other person holding Equity Shares which are locked-in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock-in the hands of the transferee, subject to the provisions of the Takeover Code.

4. Lock-in of Equity Shares allotted to Anchor Investors

In terms of the SEBI ICDR Regulations any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked-in only for a period of 30 days from the date of Allotment.

The Equity Shares which are subject to lock-in carry the inscription 'non-transferable' and the non-transferability details shall be informed to the Depositories. The details of the lock-in shall also be provided to the Stock Exchanges where the Equity Shares are to be listed, before the listing of the Equity Shares.

5. Our shareholding pattern

The table below represents the shareholding pattern of our Company before the Issue and as adjusted for the Issue:

Description	Pre-Issue						Post Issue*			
Category of Shareholder	Number of shareholders	Total number of Equity Shares	Number of shares held in dematerialised form	Total shareholding as a % of total number of Equity Shares (A+B)	Shares pledge or otherwise encumbered		Total number of Equity Shares	Total shareholding as a % of total number of Equity Shares	Shares pledge or otherwise encumbered	
					Number of Equity Shares	As a %			Number of Equity Shares	As a %
Shareholding of Promoter and Promoter Group (A)										
Indian (A)(1)										
Individuals/Hindu Undivided Family	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Central Government/State Government(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Bodies Corporate	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Financial Institutions/Banks	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Others	1	23,230,606	23,230,606	50.02	Nil	Nil	23,230,606	[●]	Nil	Nil
Sub-total (A)(1)	**1**	**23,230,606**	**23,230,606**	**50.02**	**Nil**	**Nil**	**23,230,606**	**[●]**	**Nil**	**Nil**
Foreign (A)(2)										
Individuals (Non-Resident Individuals/Foreign Individuals)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Bodies Corporate	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A)(2)	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	**1**	**23,230,606**	**23,230,606**	**50.02**	**Nil**	**Nil**	**23,230,606**	**[●]**	**Nil**	**Nil**
Public shareholding (B)										
Institutions (B1)										
Mutual Funds/UTI	Nil	Nil	Nil	Nil	Nil	Nil	[●]	[●]	[●]	[●]
Financial Institutions/Banks	Nil	Nil	Nil	Nil	Nil	Nil	[●]	[●]	[●]	[●]
Central Government/State Government(s)	Nil	Nil	Nil	Nil	Nil	Nil	[●]	[●]	[●]	[●]
Venture Capital Fund	Nil	Nil	Nil	Nil	Nil	Nil	[●]	[●]	[●]	[●]
Insurance	Nil	Nil	Nil	Nil	Nil	Nil	[●]	[●]	[●]	[●]

Description	Pre-Issue						Post Issue*			
Category of Shareholder	Number of shareholders	Total number of Equity Shares	Number of shares held in dematerialised form	Total shareholding as a % of total number of Equity Shares (A+B)	Shares pledge or otherwise encumbered		Total number of Equity Shares	Total shareholding as a % of total number of Equity Shares	Shares pledge or otherwise encumbered	
					Number of Equity Shares	As a %			Number of Equity Shares	As a %
Companies										
Foreign Institutional Investors	Nil	Nil	Nil	Nil	Nil	Nil	[●]	[●]	[●]	[●]
Foreign Venture Capital Investor	Nil	Nil	Nil	Nil	Nil	Nil	[●]	[●]	[●]	[●]
Qualified Foreign Investor	Nil	Nil	Nil	Nil	Nil	Nil	[●]	[●]	[●]	[●]
Others	Nil	Nil	Nil	Nil	Nil	Nil	[●]	[●]	[●]	[●]
Sub-Total (B)(1)	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**[●]**	**[●]**	**[●]**	**[●]**
Non-institutions (B2)										
Bodies Corporate	6	898,400	898,400	1.93	Nil	Nil	[●]	[●]	[●]	[●]
Individuals - i. Individual shareholders holding nominal share capital up to ₹ 1 lakh.	10	6,685	6,615	0.01	Nil	Nil	[●]	[●]	[●]	[●]
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	5	445,839	445,839	0.96	Nil	Nil	[●]	[●]	[●]	[●]
Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	[●]	[●]	[●]	[●]
Non Resident Companies**	3	21,859,255	21,859,255	47.07	Nil	Nil	[●]	[●]	[●]	[●]
Qualified Foreign Investor	Nil	Nil	Nil	Nil	Nil	Nil	[●]	[●]	[●]	[●]
Sub-Total (B)(2)	**24**	**23,210,179**	**23,210,109**	**49.98**	**Nil**	**Nil**	**[●]**	**[●]**	**[●]**	**[●]**
Total Public Shareholding (B) = (B)(1)+(B)(2)	**24**	**23,210,179**	**23,210,109**	**49.98**	**Nil**	**Nil**	**[●]**	**[●]**	**[●]**	**[●]**
(C) Shares held by custodians and against which Depository receipts have been issued	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(1) Promoter and Promoter Group	Nil	Nil	Nil	Nil	Nil	Nil	Nil	[●]	Nil	Nil
(2) Public	Nil	Nil	Nil	Nil	Nil	Nil	[●]	[●]	[●]	[●]
GRAND TOTAL (A)+(B)+(C)	**25**	**46,440,785**	**46,440,715**	**100**	**Nil**	**Nil**	**[●]**	**100**	**[●]**	**[●]**

** Subject to finalisation of number of Equity Shares to be Allotted pursuant to the Issue.*
***11,027,721 Equity Shares under this category are held by Carlyle. In accordance with the SHA, subsequent to listing of the Equity Shares at a recognised stock exchange, Carlyle shall provide our Promoter with voting rights in relation to such number of Equity Shares so as to ensure that*

51% of the total voting rights is maintained by our Promoter and any Governmental Authority or entities owned or controlled by Governmental Authorities. In connection to such voting rights, Carlyle has executed a power of attorney in favour of our Promoter to exercise voting rights in respect of 8,980,669 Equity Shares. For further details, please see the section titled "History and Certain Corporate Matters – Share Purchase and Shareholders' Agreements" on page 102.

Our Company will file the shareholding pattern, in the form prescribed under clause 35 of the Listing Agreements, one day prior to the listing of Equity Shares. The shareholding pattern will be uploaded on the website of Stock Exchanges before commencement of trading of the Equity Shares.

6. Shareholding of our Directors and key managerial personnel

Except as set forth below, none of our Directors or key managerial personnel hold any Equity Shares as on the date of this Red Herring Prospectus:

Sr. No.	Name of shareholder	Number of Equity Shares held	Pre-Issue%	Post Issue%
1.	Mr. Madhava Menon Shankar Narayanan	55,139	0.11	0.09
2.	Mr. Mahesh Parasuraman	2,205	0.01	-
Total		**57,344**	**0.12**	**0.09**

7. Top ten shareholders

As on the date of this Red Herring Prospectus, our Company has 25 holders of Equity Shares.

(a) Our Equity Shareholders and the number of Equity Shares held by them, as on the date of this Red Herring Prospectus:

Sr. No.	Shareholder	No. of Equity Shares	Pre-Issue%
1.	Repco Bank Limited	23,230,606	50.02
2.	Carlyle	11,027,721	23.75
3.	WCP Holdings III	6,192,100	13.33
4.	Creador 1, LLC	4,639,434	9.99
5.	Mixon Holdings Private Limited	448,400	0.97
6.	Shardul Securities Limited	150,000	0.32
7.	Mr. Rohit Kothari	128,200	0.28
8.	Pannalal C Kothari (HUF)	128,000	0.28
9.	GCIL Finance Limited	100,000	0.21
10.	Visaria Securities Private Limited	100,000	0.21
Total		**46,144,461**	**99.36**

(b) Our Equity Shareholders and the number of Equity Shares held by them ten days prior to filing of this Red Herring Prospectus:

Sr. No.	Shareholder	No. of Equity Shares	Pre-Issue%
1.	Repco Bank Limited	23,230,606	50.02
2.	Carlyle	11,027,721	23.75
3.	WCP Holdings III	6,192,100	13.33
4.	Creador 1, LLC	4,639,434	9.99
5.	Mixon Holdings Private Limited	448,400	0.97
6.	Shardul Securities Limited	150,000	0.32
7.	Mr. Rohit Kothari	128,200	0.28
8.	Pannalal C Kothari (HUF)	128,000	0.28

Sr. No.	Shareholder	No. of Equity Shares	Pre-Issue%
9.	GCIL Finance Limited	100,000	0.21
10.	Visaria Securities Private Limited	100,000	0.21
Total		**46,144,461**	**99.36**

(c) Our Equity Shareholders two years prior to filing of this Red Herring Prospectus:

Sr. No.	Shareholder	No. of Equity Shares	Pre-Issue%
1.	Repco Bank Limited	23,230,606	50.02
2.	Carlyle	23,080,860	49.70
3.	Mr. Madhava Menon Shankar Narayanan	115,404	0.25
4.	Mr. Mahesh Parasuraman	4,615	0.01
5.	Mr. Nikhil Mohta	4,615	0.01
6.	Mr. Manish Gaur	4,615	0.01
7.	Mr. M Balasubramanian	10	Negligible
8.	Mr. A Vijayaraghavan	10	Negligible
9.	Mr. P Venugopal	10	Negligible
10.	Mr. M Balasubramanian	10	Negligible
11.	Mr. V Sivaiah	10	Negligible
12.	Mr. T.E Thiruvengadam	10	Negligible
13.	Mr. M Lakshminarayanan	10	Negligible

8. Employee stock option scheme

Pursuant to the shareholders' resolution dated December 28, 2007, the Company had set aside 927,835 Equity Shares to be issued upon exercise of employee stock options. Subsequently, on April 11, 2008, the Board approved the ESOP Plan and granted 191,100 employee stock options under the same. The ESOP Plan was not in compliance with the SEBI ESOP Guidelines. All of the above 191,100 employee stock options have since been surrendered. On September 28, 2011, our Board passed a resolution to terminate the ESOP Plan which was approved by the shareholders of our Company by way of a special resolution at the extra-ordinary general meeting of our Company held on February 5, 2013.

On September 28, 2011, the Board directed the Compensation Committee to formulate a new employee stock option plan, which shall be subject to the further approval of the Board and the approval of the shareholders of the Company. Pursuant to such directions, the Compensation Committee formulated the draft Repco Home Finance Limited Employee Stock Option Scheme 2012 (the "**ESOP Scheme 2012**") which was subsequently approved in-principle by the Board in its meeting dated March 8, 2012. Further, the MHA approved the draft ESOP Scheme 2012 of the Company by its letter dated July 4, 2012 subject to certain conditions. The ESOP Scheme 2012 is in compliance with the SEBI ESOP Guidelines. Further, the Compensation Committee has approved the issuance of upto 927,835 Equity Shares in aggregate pursuant to exercise of options granted under the ESOP Scheme 2012. Additionally, the Equity Shares are expected to be issued at a price as may be determined by the Compensation Committee in accordance with the SEBI ESOP Guidelines. Subsequently, the Compensation Committee and the Board in their meetings dated August 1, 2012 and August 2, 2012, respectively, resolved to defer the implementation of the ESOP Scheme 2012 to a date post six months from the Bid/Issue Opening Date, and such implementation shall be in accordance with applicable law. After listing of the Equity Shares, as laid down in the SEBI ESOP Guidelines, the Company shall obtain the approval of the shareholders for the implementation of the ESOP Scheme 2012 before granting options under this scheme.

9. Our Company, our Directors and the BRLMs have not entered into any buy-back and/or standby and/or any other similar arrangements for the purchase of Equity Shares being offered through the Issue.

10. Our Promoter and Directors or their immediate relatives have not purchased/subscribed or sold any Equity Shares of our Company, three years prior to the date of this Red Herring Prospectus, which in aggregate is equal to or greater than one percent of the pre-Issue share capital of our Company.

11. Except as stated in the section titled "*Our Management*" beginning on page 105, none of our Directors or our key management personnel hold any Equity Shares.

12. Our Company has not issued any Equity Shares at a price less than the Issue Price in the last one year preceding the date of filing of this Red Herring Prospectus.

13. The BRLMs or their associates do not hold any Equity Shares as on the date of filing of this Red Herring Prospectus.

14. No person connected with the Issue, including, but not limited to, the BRLMs, the members of the Syndicate, our Company, the Directors, our Promoter and the Group Entities, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.

15. Our Company has not issued any Equity Shares out of its revaluation reserves. Further, except as disclosed above on page 36, none of the Equity Shares have been issued for a consideration other than cash.

16. Our Company has not raised any bridge loan against the Issue Proceeds. For details on the use of proceeds of the Issue see the section titled "*Objects of the Issue*" beginning on page 47.

17. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing this Red Herring Prospectus.

18. Except as disclosed in "*History of equity share capital of our Company*" and "History *of preference share capital of our Company*", in the section titled "*Capital Structure*" on page 35 and 36, respectively, our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.

19. As on the date of this Red Herring Prospectus, there are no outstanding convertible securities or any other right which would entitle any person any option to receive Equity Shares.

20. There has not been and there will not be any further issue of Equity Shares and/or specified securities, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner, during the period commencing from filing of the DRHP with SEBI until the Equity Shares have been listed on the Stock Exchanges.

21. During the period commencing from the date of the DRHP and ending six months after the Bid/Issue Opening Date, our Company has not and will not alter its capital structure including by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares), whether preferential or otherwise.

However, when we enter into acquisitions or joint ventures, we may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares for participation in such acquisitions or joint ventures or to use such shares as consideration for such joint ventures.

22. There are certain restrictive covenants in the facility agreements entered into by our Company with certain lenders. For details, please see the section titled "*Financial Indebtedness*" beginning on page 157.

23. Our Promoter has not purchased or sold any Equity Shares of our Company, from a period commencing from six months preceding the date of filing the DRHP with SEBI. Further, none of our Directors, the directors of our Promoter, or their immediate relatives have purchased or sold any Equity Shares of our Company, from a period commencing from six months preceding the date of filing the DRHP with SEBI.

24. During the period of six months immediately preceding the date of filing of the DRHP, no financing arrangements existed whereby our Promoter, directors of our Promoter, our Directors and their relatives may have financed the purchase of Equity Shares by any other person.

25. Our Promoter and Group Entities will not participate in the Issue.

26. Any oversubscription to the extent of 10% of the Issue can be retained for the purpose of rounding off and making allotments in minimum lots, while finalising the 'Basis of Allotment'. Consequently, the Allotment may increase by a maximum of 10% of the Issue, as a result of which the post Issue paid-up capital would also increase by the excess amount of Allotment so made. In such an event, the Equity Shares to be locked-in towards the Promoter's Contribution shall be suitably increased, so as to ensure that 20% of the post Issue paid-up capital is locked-in.

27. The Net Issue is being made for at least 25% of the post Issue paid-up capital pursuant to Rule 19(2)(b)(i) of SCRR read with Regulation 41(1) of the SEBI ICDR Regulations. Our Company is eligible for the Issue in accordance with Regulation 26(1) of the SEBI ICDR Regulations. Further, the Issue is being made through the Book Building Process wherein 50% of the Net Issue shall be available for allocation to QIBs on a proportionate basis. Further, not less than 15% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue will be available for allocation to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. The allotment of Equity Shares to each Retail Individual Bidder shall not be less than minimum bid lot, subject to availability of Equity Shares in Retail Investor category, and the remaining available Equity Shares, if any, shall be allotted on proportionate basis. Our Company may, in consultation with the BRLMs, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third will be reserved for allocation to domestic Mutual Funds only subject to Bids received at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price.

28. Any unsubscribed portion in any reserved category shall be added to the Net Issue to the public. In case of under-subscription in the Net Issue to the public category (except the QIB Portion), spill-over to the extent of under-subscription shall be permitted from the reserved category to the Net Issue to the public. Under-subscription, if any in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion shall be added to the Net Issue. In the event of under-subscription in the Net Issue (except the QIB Portion), spill-over to the extent of under-subscription shall be permitted from the Employee Reservation Portion to the Net Issue.

29. The Issue includes an Employee Reservation Portion of 180,000 Equity Shares for subscription by Eligible Employees for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating to ₹ [●] million.

30. Our Company, in consultation with the BRLMs, may decide to offer discounts to the Issue Price amounting to ₹ [●] and ₹ [●] to Retail Individual Bidders and Eligible Employees, respectively.

31. A Bidder cannot make a Bid for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of Bidder. For further details, please see the section titled "*Issue Procedure*" beginning on page 207.

32. The Equity Shares issued pursuant to the Issue shall be fully paid-up at the time of Allotment, failing which no Allotment shall be made.

33. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

34. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

35. The total number of members of our Company as on the date of filing of this Red Herring Prospectus is 25.

36. Our Company shall ensure that transactions in the Equity Shares by our Promoter and Promoter Group entities during the period between the date of registering the Red Herring Prospectus with the RoC and the date of closure of the Issue shall be reported to the Stock Exchanges within 24 hours of the transactions.

OBJECTS OF THE ISSUE

Our Company intends to utilise the proceeds from the Issue, after deduction of the Issue related expenses (the "**Net Proceeds**") towards augmentation of our capital base to meet our future capital requirements arising out of growth in our business.

Our Company is primarily engaged in the business of housing finance. The main objects clause of our Memorandum enables our Company to undertake its existing activities and the activities for which funds are being raised by our Company through this Issue. The activities which have been carried out until now by our Company are valid in terms of the objects clause of our Memorandum.

Issue Proceeds and Net Proceeds

The details of the Issue Proceeds and Net Proceeds are summarised below:

(in ₹ million)

Description	Amount
Gross proceeds of the Issue	[●]
Issue-related expenses*	[●]
Net Proceeds	[●]

** To be finalised upon determination of the Issue Price*

Utilization of the Net Proceeds and means of finance

The Net Proceeds will be utilised by our Company towards augmentation of our capital base, which will result in an increase in our net worth and enable us to meet our future capital adequacy requirements.

Our Company is in compliance with the capital adequacy norms of the NHB Directions, 2010. The NHB Directions, 2010 require our Company to: (i) maintain a minimum CRAR (consisting of Tier I and Tier II capital) of 12% of its aggregate risk weighted assets and of the risk adjusted value of its off-balance sheet items; and (ii) maintain a maximum ratio of 100% of the total Tier I capital and the total Tier II capital. For further details of the minimum capital adequacy requirements prescribed by the NHB, please see the section titled "*Regulations and Policies*" beginning on page 90.

Our outstanding loan portfolio has grown by a CAGR of 43.81% from ₹ 6,550.83 million as at March 31, 2008 to ₹ 28,021.55 million as at March 31, 2012. While our Company has been in compliance with the minimum CRAR requirements prescribed in the NHB Directions, 2010 our Company's outstanding loan book size has been increasing, as set-out in the table below:

Particulars	As at September 30, 2012	As at September 30, 2011	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Outstanding loan portfolio (in ₹ million)	30,978.03	24,286.95	28,021.55	20,735.22	14,080.12
Outstanding loan portfolio growth (YOY) (%)	27.55	-	35.14	47.27	42.14
CRAR (%)	15.94%	16.90%	16.50%	18.21%	21.13%

According to industry estimates, housing finance disbursements will grow at a CAGR of 16.3% between Fiscal 2012 and Fiscal 2016 to reach ₹ 3,734 billion by Fiscal 2016. Increase in demand for housing, rise in property prices and hence increase in average ticket size, and an increase in penetration levels are some of the key drivers behind the growth in disbursements in the housing finance industry. For further details, please see the section titled "*Industry Overview*" beginning on page 63.

In light of the growth demonstrated and the potential increase in the outstanding loan book, our Company may be required to increase its capital base so that it can continue to maintain the regulatory capital requirements prescribed by the NHB.

The Net Proceeds would be utilised for disbursing further loans and our Company proposes to deploy the same in current/next Fiscal year. In addition, augmentation of our capital base and increase in net worth results in a reduction in the debt to equity ratio, which in turn allows the Company to raise additional debt that can also be utilised for granting loans to our customers.

Issue related Expenses

The expenses for the Issue includes BRLMs' fees, underwriting commission and selling commission (including fees payable to SCSBs for processing ASBA applications), fees payable to the Registrar to the Issue, legal counsels, Bankers to the Issue, IPO grading expenses, advertisement and marketing expenses, printing, stationery and distribution expenses, legal fees, SEBI filing fees, Stock Exchanges filing fees, bidding software expenses, depository charges and listing fees to the Stock Exchanges and all other incidental and miscellaneous expenses for the listing of the Equity Shares on the Stock Exchanges.

The total expenses of the Issue are estimated to be approximately ₹ [●] million. The break up of the estimated Issue-related expenses is as follows:

Activity	Expenses*	% of Total Issue Expenses*	As a % of Issue Size*
Listing fees and other costs associated with listing including SEBI fees, processing fees of Stock Exchanges, bidding software expenses, depository charges etc.	[●]	[●]	[●]
Lead management, underwriting and selling commissions (including commission payable to SCSBs and Registered Brokers)	[●]	[●]	[●]
Commission payable to Registered Brokers	[●]	[●]	[●]
Processing fees to the SCSBs for processing ASBA Forms procured by the Syndicate or Registered Brokers and submitted to the SCSBs **	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Printing and stationery (including distribution)	[●]	[●]	[●]
Registrar's fees	[●]	[●]	[●]
Fees paid to the IPO Grading Agency	[●]	[●]	[●]
Fees paid to Bankers to the Issue	[●]	[●]	[●]
Other (audit fees, legal fees etc.)	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

**Will be incorporated at the time of filing of the Prospectus.*
*** SCSBs shall be entitled for processing fee of ₹ 15 for each ASBA Form procured by the Syndicate or Registered Brokers and submitted to SCSBs.*

We propose to meet our expenditure towards the objects of the Issue entirely out of the proceeds of the Issue, and accordingly, no amount is proposed to be raised through any other means of finance. Accordingly, Clause VII C of Part A of Schedule VIII of the SEBI ICDR Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the amount to be raised through the Issue) does not apply.

Commission payable to Registered Broker

The commission payable to Registered Brokers shall be as mentioned below:

Application size (in ₹)	Commission to Registered Brokers

From ₹ 10,000 to ₹ 100,000	₹ 30 per Bid cum Application Form on valid Bids
Above ₹ 100,000	₹ 40 per Bid cum Application Form on valid bids

The total commission to be paid to the Registered Brokers for the applications procured by them, which are considered eligible for allotment in the Issue, shall be capped at ₹ 7.5 lakhs ("**Maximum Brokerage**"). In case the total commission payable to the Registered Brokers exceeds the Maximum Brokerage, then the amount paid to the Registered Brokers would be proportionately adjusted such that the total commission payable to them does not exceed the Maximum Brokerage. The quantum of commission payable to Registered Brokers is determined on the basis of applications and the terminal from which the bid has been uploaded will be taken into account in order to determine the commission payable to Registered Broker.

Interim Use of Funds

Our management, in accordance with the policies established by our Board from time to time, will have flexibility in deploying the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, we intend to invest the funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks and financial institutions for the necessary duration. Such investments would be in accordance with investment policies approved by our Board from time to time. We shall not use the funds for any investments in the equity markets.

Monitoring utilization of funds from the Issue

Our Board and Audit Committee will monitor the utilization of the Net Proceeds. We will disclose the details of the utilisation of the Net Proceeds, including interim use, under a separate head in our financial statements until the completion of utilisation of the Net Proceeds, specifying the purpose for which such proceeds have been utilised or otherwise disclosed as per the disclosure requirements of the Listing Agreements. We will indicate investments, if any, of the unutilised Net Proceeds in our balance sheet for the relevant Fiscals subsequent to the Issue. In connection with the utilisation of the Net Proceeds, our Company shall comply with the Listing Agreements, including Clauses 43A and 49, as amended from time to time.

Pursuant to Clause 49 of the Listing Agreement, our Company shall on a quarterly basis disclose to the Audit Committee, the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Prospectus and place it before the Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement will be certified by our Auditors.

Our Company shall, in accordance with Clause 43A of the Listing Agreement, be required to inform material deviations in the utilisation of Net Proceeds to the Stock Exchanges and shall also be required to simultaneously make such material deviations as well as the adverse comments of the Audit Committee public through advertisements in newspapers.

Appraisal

No bank or financial institution or any other independent third party organization has appraised the objects of the Issue.

Bridge Financing Facilities

As on the date of this Red Herring Prospectus, we have not raised any bridge loans which are proposed to be repaid from the Net Proceeds.

Other confirmations

There are no material existing or anticipated transactions with our Promoter, our Directors, our Company’s key managerial personnel and Group Entities, in relation to the utilisation of the Net Proceeds.

No part of the Net Proceeds will be paid by us as consideration to our Promoter, our Directors or key managerial personnel or our Group Entities, except in the normal course of business and in compliance with the applicable law.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the BRLMs on the basis of assessment of market demand for the Equity Shares determined through the Book Building Process and is justified on the basis of the following qualitative and quantitative factors. Please see the section titled "*Risk Factors*" beginning on page xiii of this Red Herring Prospectus and the Restated Summary Statements as set out in the section "*Financial Statements*" beginning on page 129 of this Red Herring Prospectus to have a more informed view. The trading price of the Equity Shares of the Company could decline due to the factors mentioned in the section "*Risk Factors*" and you may lose all or part of your investment. The face value of the Equity Shares is ₹ 10 each and the Issue Price is [•] times the face value at the lower end of the Price Band and [•] times the face value at the higher end of the Price Band.

Qualitative Factors

Competitive strengths

We believe that we have the following principal competitive strengths:

- Direct customer contact and customer ownership;
- Focus on quality customer servicing, transparency and speed of operations;
- Focus on relatively underpenetrated markets and segments;
- Robust risk management systems and processes;
- Low cost operations;
- Well recognised brand in South India with an established track record; and
- Stable and experienced senior management team.

For further details regarding some of the qualitative factors which form the basis for computing the Issue Price, please refer to the section titled "*Our Business – Our Competitive Strengths*" on page 77.

Quantitative Factors

Information presented in this section is derived from our restated financial statements for the Fiscals 2012, 2011 and 2010 appearing in the section titled "*Financial Statements*" beginning on page 129 of this Red Herring Prospectus.

Some of the quantitative factors which may form the basis for computing the Issue Price are as follows:

1. Basic and Diluted Earnings/(Loss) per Share ("EPS")

Period	Basic EPS (₹)	Diluted EPS (₹)	Weight
Fiscal 2012	14.55	14.55	3
Fiscal 2011	12.19	12.19	2
Fiscal 2010	10.03	10.03	1
Weighted Average	13.01	13.01	-

Basic and Diluted EPS for half year ended September 30, 2012 is ₹ 7.67 (not annualised) and for the half year ended September 30, 2011 is ₹ 6.96

Note:

1. Earnings per share calculations are in accordance with AS 20 "Earnings per Share" issued by the ICAI.

Basic Earnings Per Share (₹)	=	Net Profit attributable to Equity Shareholders / Weighted Average Number of Equity Shares outstanding during the Year

Diluted Earnings Per Share (₹)	=	Net Profit attributable to Equity Shareholders

		Weighted Average of Potential Number of Equity Shares Outstanding during the Year

2. The face value of each Equity Share is ₹ 10.00

2. Price Earning Ratio ("P/E") in relation to the Issue Price of ₹ [●] per Equity Share

Sr. No.	Particulars	Standalone
(i)	P/E ratio based on Basic EPS for the year ended March 31, 2012 at the Floor Price:	[●]
(ii)	P/E ratio based on Diluted EPS for the year ended March 31, 2012 at the Floor Price:	[●]
(iii)	P/E ratio based on Basic EPS for the year ended March 31, 2012 at the Cap Price:	[●]
(iv)	P/E ratio based on Diluted EPS for the year ended March 31, 2012 at the Cap Price:	[●]
(v)	Industry P/E*	
	Highest	32.17
	Lowest	6.71
	Industry Composite	18.61

** The industry high and low has been considered from the industry peer group provided below. The industry composite has been calculated as the arithmetic average of the P/E ratio of the industry peer group provided below. For further details please see "Comparison with Listed Peers" below.*

3. Return on Net worth ("RoNW")

Period	RoNW (%)	Weights
Fiscal 2012	22.28	3
Fiscal 2011	23.43	2
Fiscal 2010	23.09	1
Weighted Average	22.80	-

RoNW (%)	=	Net Profit After Tax
		Net Worth excluding Revaluation Reserves at the end of the Year

Minimum RoNW after Issue needed to maintain Pre-Issue EPS for the Fiscal 2012:

(a) **Based on Basic EPS**

At the Floor Price – [●]% based on restated financial statements.

At the Cap Price – [●]% based on restated financial statements.

(b) **Based on Diluted EPS**

At the Floor Price – [●]% based on restated financial statements respectively.

At the Cap Price – [●]% based on restated financial statements respectively.

4. Net Asset Value per Equity Share

Period	NAV (₹)
As at September 30, 2012	72.97
Fiscal 2012	65.30

Period	NAV (₹)
NAV after the Issue	[●]
Issue Price*	[●]

Net Asset Value per Equity Share (₹)	=	Net worth excluding Revaluation Reserves at the end of the year / Number of equity shares outstanding at the end of the year

*The Issue Price of ₹ [●] per Equity Share has been determined on the basis of the demand from investors through the Book Building Process and is justified based on the above accounting ratios.

5. Comparison with Listed Peers

Company name	Consolidated/ Standalone	Year Ended	Face value (₹)	Diluted EPS (₹)	NAV per share (₹)	P/E#	P/BV#	RoNW (%)
Repco Home Finance Limited(1)	Standalone	March 31, 2012	10.00	14.55	65.30	[●]	[●]	22.28
Peer group								
LIC Housing Finance Limited(2)	Standalone	March 31, 2012	2.00	19.20	112.59	12.93	2.20	16.09
Housing Development Finance Corporation Limited(2)	Standalone	March 31, 2012	2.00	27.54	128.76	29.90	6.40	21.68
GIC Housing Finance Limited(2)	Standalone	March 31, 2012	10.00	10.96	92.33	11.34	1.35	11.87
Dewan Housing Finance Corporation Limited(2)	Standalone	March 31, 2012	10.00	28.67	173.97	6.71	1.11	15.07
Gruh Finance Limited(2)	Standalone	March 31, 2012	10.00	6.80(3)	21.84(3)	32.17	10.02	31.21

(1) Based on restated financial statements for the year ended March 31, 2012.
(2) The accounting ratios for the Peer group have been calculated from the data sourced from the respective Annual Reports for Fiscal 2012 for the said companies.
(3) The Diluted EPS and NAV per share for Gruh Finance Limited for the year ended March 31, 2012 is ₹34.01 and ₹109.22 respectively as reported in the Annual Report of the company. These numbers have been changed to account for the stock split.

#Computed based on the closing price on NSE as on 19 February, 2013 and Diluted Earnings Per Share, as reported in the respective Annual Report of the said companies ("Diluted EPS") and Net Asset Value Per Share ("NAV per share") for the year ended March 31, 2012, except for Repco Home Finance Limited.

The Issue Price of ₹ [●] has been determined by our Company, in consultation with the BRLMs on the basis of the demand from investors for the Equity Shares determined through the Book Building Process and is justified based on the aforementioned qualitative and quantitative factors. For further details, please see the section entitled "*Risk Factors*" beginning on page xiii and the financials of our Company including important profitability and return ratios, as set out in the section entitled "*Financial Statements*" beginning on page 129.

STATEMENT OF TAX BENEFITS

To,
The Board of Directors
Repco Home Finance Limited,
Repco Tower,
No. 33 North Usman Road,
T. Nagar,
Chennai - 600 017

Dear Sirs,

Sub: Statement of Possible Tax Benefits available to Repco Home Finance Limited ("the Company") and its shareholders in connection with the Initial Public Offering by the Company

We hereby report that the enclosed statement provides the possible tax benefits available to Repco Home Finance Limited under the Income-tax Act, 1961 presently in force in India and to the shareholders of the Company under the Income Tax Act, 1961 and Wealth Tax Act, 1957 and the Gift Tax Act, 1958, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders 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 may or may not choose to fulfil.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and 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.

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

(i) the Company or its shareholders will continue to obtain these benefits in future; or

(ii) the conditions prescribed for availing the benefits have been / would be met with.

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.

We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

For R.Subramanian and Company
Chartered Accountants
Firm's registration number: 004137S

N. Krishnamurthy
Partner
Membership No.:19339

Place: Chennai

Date: January 30, 2013

Special Tax Benefits

Transfer to special reserve

Subject to the fulfillment of conditions, the company is entitled to claim deduction under section 36(1)(viii). The amount of deduction is lower of the following

- Amount transferred to the special reserve account created for the purpose of section 36(1)(Viii)
- 20% of the profits derived from the business activities as computed under section 28 of the Income Tax act but before claiming deduction under section 36(1)(Viii)
- 200% of the paid up share capital and general reserve on the last day of the previous year minus the balance of the special reserve account on the first day of the previous year.

General Tax Benefits to the Company:

1. Dividends earned are exempt from tax in accordance with and subject to the provisions of section 10(34) read with section 115-O of the Act. However, as per section 94(7) of the Act, losses arising from sale/ transfer of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date, will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt
2. As per Section 10(35) of the act, the following income will be exempt from tax in the hands of company.
   (a) Income received in respect of the units of a Mutual Fund specified under section 10(23D); or
   (b) Income received in respect of units from the administrator of the specified undertaking; or
   (c) Income received in respect of units from the specified company
3. Income by way of interest, premium on redemption or other payment on notified securities, bonds, certificates issued by the Central Government is exempt from tax under section 10(15) of the Act, in accordance with and subject to the conditions and limits as may be specified in notifications.
4. The depreciation rates in respect of Motor Cars is 15%, Furniture & Fittings is 10%, Intangible assets is 25%, Computers 60%, Buildings (Residential) is 5% and Buildings (Others) is 10%. (Under section 32 of the Act, the Company is entitled to claim deprecation subject to the conditions specified therein, at the prescribed rates on its specified assets used for its business.)
5. The amount of tax paid under Section 115JB by the company for any assessment year beginning on or after 1st April, 2010 will be available as credit to the extent specified in section 115JAA for ten years succeeding the Assessment Year in which MAT credit becomes allowable in accordance with the provisions of Section 115JAA.
6. In case of loss under the head - Profit and Gains from Business or Profession, it can be set-off against any other head of income in accordance with the provision of section 71 and the excess loss after set-off can be carried forward for set-off against - Profit & Gain from Business or Profession of the next eight Assessment Years.
7. The unabsorbed depreciation, if any, can be adjusted against any other income and can be carried forward indefinitely for set-off against the income of future years.
8. If the company invests in the equity shares of another company, or unit in equity oriented fund as per the provisions of Section 10(38), of the Act any income arising from the transfer of a long term capital asset being an equity share in a company or unit in equity oriented fund is not includible in the total income, if the transaction is chargeable to Securities Transaction Tax.
9. Income earned from investment in units of a specified Mutual Fund specified under Clause 10(23D) is exempt from tax under section 10(35) of the Act. However, as per section 94(7) of the Act, losses arising from the sale/ redemption of units purchased within three months prior to the record d ate (for entitlement to receive income) and sold within nine months from the record date, will be disallowed to the extent such loss does not exceed the amount of income claimed exempt.
10. Further, as per section 94(8) of the Act, if an investor purchases units within three months prior to the record date for entitlement of bonus, and is allotted bonus units without any payment on the basis of holding original units on the record date and such person sells/redeems the original units within nine months of the record date, then the loss arising from sale/ redemption of the original units will be ignored for the purpose of computing income chargeable to tax and the amount of loss ignored shall be regarded as the cost of acquisition of the bonus units.

11. In accordance with section 112 of the Act, the tax on capital gains on transfer of unlisted securities or units or zero coupon bonds where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of:
    (a) 20 per cent (plus applicable surcharge and Education Cess and Secondary and Higher Secondary Education Cess) of the capital gains as computed after indexation of the cost; or
    (b) 10 per cent (plus applicable surcharge and Education Cess and Secondary and Higher Secondary Education Cess) of the capital gains as computed without indexation.
12. In accordance with Section 111A of the Act, the tax on capital gains arising from the transfer of a short term asset being an equity share in a company or a unit of an equity oriented fund, is chargeable to tax at the rate of 15% (plus applicable surcharge and Education Cess and Secondary and Higher Secondary Education Cess), where such transaction is chargeable to Securities Transaction Tax. And if the provisions of Section 111A are not applicable to the short term capital gains, in case of non chargeability to Securities Transaction Tax, then the tax will be chargeable at the normal rates of tax (plus applicable surcharge and Education Cess and Secondary and Higher Secondary Education Cess) as applicable.
13. Under section 36(1)(vii) of the Act, any bad debt or part thereof written off as irrecoverable in the accounts is allowable as a deduction from the total income.
14. Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which does not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not a tax deductible expenditure.

Section 115-O

Tax rate on distributed profits of domestic companies (DDT) is 15%, the surcharge on Income tax is at 5%, and the Primary Education cess is at 2% and Secondary and Higher Secondary Education Cess at the rate of 1%

Tax Rates

The tax rate is 30%. The surcharge on Income tax is 5%, only if the total income exceeds Rs. 10.0 million. Primary Education cess is at 2% and Secondary and Higher Secondary Education Cess at the rate of 1%

General Tax Benefits to the Shareholders of the Company

(I) Under the Income-tax Act

(A) Residents

1. Dividends earned on shares of the domestic company are exempt from tax in accordance with and subject to the provisions of section 10(34) of the Act read with section 115-O of the Act. However, as per section 94(7) of the Act, losses arising from sale/ transfer of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date, will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt.
2. Shares of the company held as capital asset for a period of more than twelve months preceding the date of transfer will be treated as a long term capital asset.
3. Long term capital gain arising on sale of equity shares or unit of an equity oriented fund is fully exempt from tax in accordance with the provisions of section 10(38) of the Act, where the sale is made on or after October 1, 2004 on a recognized stock exchange and the transaction is chargeable to securities transaction tax.
4. Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income (i.e. dividend/) is not a tax deductible expenditure.
5. Under section 36(1)(xv) of the Act, securities transaction tax paid by a shareholder in respect of taxable securities transactions entered into in the course of its business, would be allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head ―Profits and Gains of Business or Profession.

6. As per the provision of Section 71(3) of the Act, if there is a loss under the head "Capital Gains"‖ it cannot be set-off against the income under any other head. Section 74 provides that the short term capital loss can be set-off against both Short term and Long term capital gain. But Long term capital loss cannot be set-off against short term capital gain. The unabsorbed short term capital loss can be carried forward for next eight assessment years and can be set off against any capital gains in subsequent years. The unabsorbed long term capital loss can be carried forward for next eight assessment years and can be set off only against long term capital gains in subsequent years.

7. Taxable long term capital gains would arise [if not exempt under section 10(38) or any other section of the Act] to a resident shareholder where the equity shares or units or zero coupon bonds are held for a period of more than 12 months prior to the date of transfer of the shares. In accordance with and subject to the provisions of section 48 of the Act, in order to arrive at the quantum of capital gains, the following amounts would be deductible from the full value of consideration:
   (a) Cost of acquisition/improvement of the shares as adjusted by the cost inflation index notified by the Central Government; and
   (b) Expenditure incurred wholly and exclusively in connection with the transfer of shares. Under section 112 of the Act, taxable long-term capital gains are subject to tax at a rate of 20% (plus applicable surcharge and education cess) after indexation, as provided in the second proviso to section 48 of the Act. However, in case of unlisted securities or units, the amount of such tax could be limited to 10% (plus applicable surcharge and education cess), without indexation, at the option of the shareholder.

8. Short term capital gains on the transfer of equity shares or units of an equity oriented fund where the shares are held for a period of not more than 12 months would be taxed at 15% (plus applicable surcharge and Education Cess and Secondary and Higher Secondary Education Cess), where the sale is made on or after October 1, 2004 on a recognized stock exchange and the transaction is chargeable to securities transaction tax. In all other cases, the short term capital gains would be taxed at the normal rates of tax (plus applicable surcharge and Education Cess and Secondary and Higher Secondary Education Cess) applicable to the resident investor. Cost indexation benefits would not be available in computing tax on short term capital gain.

9. Under section 54EC of the Act, long term capital gain arising on the transfer of shares of the Company [other than the sale referred to in section 10(38) of the Act] is exempt from tax to the extent the same is invested in certain "Long term specified asset"‖ within a period of six months from the date of such transfer (up to a maximum limit of Rs 5.0 Million) for a minimum period of three years.

10. In accordance with section 54F of the Act, long-term capital gains arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family and on which Securities Transaction Tax is not payable, shall be exempt from capital gains tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years. Such benefit will not be available if the individual:
    (a) Owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
    (b) Purchases another residential house within a period of one year after the date of transfer of the shares; or
    (c) Constructs another residential house within a period of three years after the date of transfer of the shares; and
    (d) The income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head Income from house property.

    If only a part of the net consideration is so invested, so much of the capital gains as bears to the whole of the capital gain the same proportion as the cost of the new residential house bears to the net consideration shall be exempt.

    If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head Capital Gains of the year in which the residential house is transferred.

Tax Rates

For Individuals, HUFs, BOI and Association of Persons:

Slab of income (Rs.)	**Rate of tax (%)**
0 – 2,00,000	Nil
2,00,001 – 500,000	10%

5,00,001 – 10,00,000	20%
10,00,001 and above	30%

Notes:

(i) In respect of senior citizens resident in India, the basic exemption limit is Rs. 250,000.

(ii) Age limit of senior citizen is 60 years.

(iii) Education cess will be levied at the rate of 2% on income tax and Secondary and Higher Secondary Education Cess at the rate of 1%

(iv) In respect of Super senior citizens who are above the age of 80 years, the basic exemption limit is Rs. 500000.

(B) Non-Residents:

1. Dividends earned on shares of the domestic Company are exempt in accordance with and subject to the provisions of section 10(34) of the Act read with Section 115-O of the Act. However, as per section 94(7) of the Act, losses arising from sale/ transfer of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date, will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt.
2. Long term capital gain arising on sale of Company's Equity shares or units of an equity oriented fund, is fully exempt from tax in accordance with the provisions of section 10(38) of the Act, where the sale is made on or after October, 1 2004 on a recognized stock exchange and the transaction is chargeable to Securities Transaction Tax.
3. In accordance with section 48 of the Act, capital gains arising out of transfer of capital assets being shares in the company shall be computed by converting the cost of acquisition, expenditure in connection with such transfer and the full value of the consideration received or accruing as a result of the transfer into the same foreign currency as was initially utilised in the purchase of the shares and the capital gains computed in such foreign currency shall be reconverted into Indian currency, such that the aforesaid manner of computation of capital gains shall be applicable in respect of capital gains accruing/arising from every reinvestment thereafter in, and sale of, shares and debentures of, an Indian company including the Company
4. As per the provisions of Section 90(2) of the Act, the Non Resident shareholder has an option to be governed by the provisions of the tax treaty, if they are more beneficial than the domestic law wherever India has entered into Double Taxation Avoidance Agreement (DTAA) with the relevant country for avoidance of double taxation of income.
5. In accordance with section 112 of the Act, the tax on capital gains on transfer of unlisted securities where the transaction is not chargeable to Securities Transaction Tax, held as long term capital assets will be at the rate of 10% (plus applicable surcharge and Education Cess and Secondary and Higher Secondary Education Cess). A non-resident will not be eligible for adopting the indexed cost of acquisition and the indexed cost of improvement for the purpose of computation of long-term capital gain on sale of shares.
6. In accordance with Section 111A of the Act, the tax on capital gains arising from the transfer of a short term asset being an equity share in a company or a unit of an equity oriented fund, is chargeable to tax at the rate of 15% (plus applicable surcharge and Education Cess and Secondary and Higher Secondary Education Cess), where such transaction is chargeable to Securities Transaction Tax. If the provisions of Section 111A are not applicable to the short term capital gains, then the tax will be chargeable at the applicable normal rates plus surcharge and education cess as applicable.
7. Under section 54EC of the Act, long term capital gain arising on the transfer of shares of the Company [other than the sale referred to in section 10(38) of the Act] is exempt from tax to the extent the same is invested in certain "Long term specified asset" within a period of six months from the date of such transfer (up to a maximum limit of Rs 5.0 million) for a minimum period of three years.
8. In accordance with section 54F of the Act, long-term capital gains arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family and on which Securities Transaction Tax is not payable, shall be exempt from capital gains tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years subject to regulatory feasibility. Such benefit will not be available if the individual:

(a) Owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or

(b) Purchases another residential house within a period of one year after the date of transfer of the shares; or

(c) Constructs another residential house within a period of three years after the date of transfer of the shares; and

(d) The income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head Income from house property.

If only a part of the net consideration is so invested, so much of the capital gains as bears to the whole of the capital gain the same proportion as the cost of the new residential house bears to the net consideration shall be exempt.

If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head Capital Gains of the year in which the residential house is transferred.

(C) Non-Resident Indians

Further, a Non-Resident Indian has the option to be governed by the provisions of Chapter XII-A of the Income- tax Act, 1961 which reads as under:

1. In accordance with section 115E of the Act, income from investment or income from long -term capital gains on transfer of assets other than specified asset shall be taxable at the rate of 20% (plus Education Cess and Secondary and Higher Secondary Education Cess). Income by way of long term capital gains in respect of a specified asset (as defined in Section 115C (f) of the Income-tax Act, 1961), shall be chargeable at 10% (plus Education Cess and Secondary and Higher Secondary Education Cess).
2. In accordance with section 115F of the Act, subject to the conditions and to the extent specified therein, long-term capital gains arising from transfer of shares of the company acquired out of convertible foreign exchange, and on which Securities Transaction Tax is not payable, shall be exempt from capital gains tax, if the net consideration is invested within six months of the date of transfer in any specified new asset.
3. In accordance with section 115G of the Act, it is not necessary for a Non-Resident Indian to file a return of income under section 139(1), if his total income consists only of investment income earned on shares of the company acquired out of convertible foreign exchange or income by way of long-term capital gains earned on transfer of shares of the company acquired out of convertible foreign exchange or both, and the tax deductible has been deducted at source from such income under the provisions of Chapter XVII-B of the Income-tax Act, 1961.
4. In accordance with section 115-I of the Act, where a Non-Resident Indian opts not to be governed by the provisions of Chapter XII-A for any assessment year, his total income for that assessment year (including income arising from investment in the company) will be computed and tax will be charged according to the other provisions of the Income-tax Act, 1961.

   As per section 115H of the Act, where a non-resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing officer, along with his return of income for that year under section 139 of the act to the effect that the provision of chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.

   The tax rates and consequent taxation mentioned above will be further subject to any benefits available under tax Treaty, if any, between India and the country in which the non -resident has fiscal domicile. As per provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident.
5. As per the provisions of Section 90(2) of the Act, the NRI shareholder has an option to be governed by the provisions of the tax treaty, if they are more beneficial than the domestic law wherever India has entered into Double Taxation Avoidance Agreement (DTAA) with the relevant country for avoidance of double taxation of income.
6. In accordance with section 10(38) of the Act, any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income, if the transaction is chargeable to Securities Transaction Tax.

7. In accordance with section 10(34) of the Act, dividend income declared, distributed or paid by the Company (referred to in section 115-O) will be exempt from tax.

8. In accordance with Section 111A of the Act capital gains arising from the transfer of a short term asset being an equity share in a company or a unit of an equity oriented fund where such transaction has suffered Securities Transaction Tax is chargeable to tax at the rate of 15% (plus applicable surcharge and Education Cess and Secondary and Higher Secondary Education Cess). If the provisions of Section 111A of the Act are not applicable to the short term capital gains, then the tax will be chargeable at the applicable normal rates plus surcharge and Education Cess and Secondary and Higher Secondary Education Cess

9. Under section 54EC of the Act, long term capital gain arising on the transfer of shares of the Company [other than the sale referred to in section 10(38) of the Act] is exempt from tax to the extent the same is invested in certain notified bonds within a period of six months from the date of such transfer (up to a maximum limit of Rs 5.0 million) for a minimum period of three years.

10. In accordance with section 54F of the Act, long-term capital gains arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family on which Securities Transaction Tax is not payable, shall be exempt from capital gains tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years subject to regulatory feasibility. Such benefit will not be available if the individual or Hindu Undivided Family

    (a) Owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or

    (b) Purchases another residential house within a period of one year after the date of transfer of the shares; or

    (c) Constructs another residential house within a period of three years after the date of transfer of the shares; and

    (d) The income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head Income from house property.

    If only a part of the net consideration is so invested, so much of the capital gains as bears to the whole of the capital gain the same proportion as the cost of the new residential house bears to the net consideration shall be exempt.

    If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head ―Capital Gains‖ of the year in which the residential house is transferred.

(D) Foreign Institutional Investors (FIIs)

1. In accordance with section 10(34) of the Act, dividend income declared, distributed or paid by the domestic company (referred to in section 115-O) will be exempt from tax.

2. In accordance with section 115AD of the Act, FIIs will be taxed at 10% (plus applicable surcharge and education cess) on long-term capital gains (computed without indexation of cost and foreign exchange fluctuation), if Securities Transaction Tax is not payable on the transfer of the shares and at 15% (plus applicable surcharge and Education Cess and Secondary and Higher Secondary Education Cess) in accordance with section 111A on short-term capital gains arising on the sale of the shares of the Company which is subject to Securities Transaction Tax. If the provisions of Section 111A are not applicable to the short term capital gains, then the tax will be charged at the rate of 30% plus applicable surcharge and Education Cess and Secondary and Higher Secondary Education Cess, as applicable.

    In accordance with section 10(38) of the Act, any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income, if the transaction is chargeable to Securities Transaction Tax.

3. As per the provisions of Section 90(2) of the Act, the Non Resident shareholder has an option to be governed by the provisions of the tax treaty, if they are more beneficial than the domestic law wherever India has entered into Double Taxation Avoidance Agreement (DTAA) with the relevant country for avoidance of double taxation of income.

4. Under section 196D (2) of the Act, no deduction of tax at source will be made in respect of income by way of capital gain arising from the transfer of securities referred to in section 115AD.

5. Under section 54EC of the Act, long term capital gain arising on the transfer of shares of the Company [other than the sale referred to in section 10(38) of the Act] is exempt from tax to the extent the same is invested in certain ―Long term specified asset‖within a period of six months from the date of such transfer (up to a maximum limit of Rs 5.0 million) for a minimum period of three years.

(E) Persons carrying on business or profession in shares and securities.

Under section 36(1)(xv) of the Act, Securities Transaction Tax paid by a shareholder in respect of taxable securities transactions entered into in the course of its business, would be allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head ―Profits and Gains of Business or Profession.

A non resident taxpayer has an option to be governed by the provisions of the Act or the provisions of a Tax Treaty that India has entered into with another country of which the investor is a tax resident, whichever is more beneficial (section 90(2) of the Act).

(F) Mutual Funds

Under section 10(23D) of the Act, exemption is available in respect of income (including capital gains arising on transfer of shares of the Company) of a Mutual Fund registered under the Securities and Exchange Board of India Act, 1992 or such other Mutual fund set up by a public sector bank or a public financial institution or authorized by the Reserve Bank of India and subject to the conditions as the Central Government may specify by notification.

(G) Venture Capital Companies/Funds

In terms of section 10(23FB) of the Act, income of:-

Venture Capital company which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992; and Venture Capital Fund, operating under a registered trust deed or a venture capital scheme made by Unit trust of India, which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992, from investment in a Venture Capital Undertaking, is exempt from income tax.

(H) Under the Wealth Tax and Gift Tax Acts

1. "Asset" as defined under section 2(ea) of the Wealth-tax Act, 1957 does not include shares held in a Company and hence, these are not liable to wealth tax.
2. Gift tax is not leviable in respect of any gifts made on or after October 1, 1998. Any gift of shares of the Company is not liable to gift-tax. However, in the hands of the Donee the same will be treated as income subject to certain conditions unless the gift is from a relative as defined under Explanation to Section 56(vii) of Income-tax Act, 1961.

I) Security Transaction Tax (STT)

1. STT in respect of any taxable securities transaction shall be collected from the seller or the buyer, on the value of such transaction, by every recognized stock exchange in India or the prescribed person in case of any Mutual Fund, at the rate specified in section 98 of the Finance (No0. 2) Act, 2004.

(J) Tax Deduction at Source

1. No income-tax is deductible at source from income by way of capital gains under the present provisions of the IT Act, in case of residents. However, as per the provisions of section 195 of the IT Act, any income by way of capital gains, payable to non residents (other than long-term capital gains exempt under section 10(38) of the IT Act), may be eligible to the provisions of with-holding tax, subject to the provisions of the relevant tax treaty. Accordingly income tax may have to be deducted at source in the case of a non- resident at the rate under the domestic tax laws or under the tax treaty, whichever is beneficial to the assessee unless a lower withholding tax certificate is obtained from the tax authorities. As per section 196D, no tax is to be

deducted from any income, by way of capital gains arising from the transfer of shares payable to Foreign Institutional Investor.

2. As per the provisions of Section 206AA of the IT Act, notwithstanding anything contained in any other provisions of this Act, any person entitled to receive any sum or income or amount, on which tax is deductible under Chapter XVIIB shall furnish his Permanent Account Number to the person responsible for deducting such tax, failing which tax shall be deducted at the higher of the following rates, namely:
(i) at the rate specified in the relevant provisions of this Act,
(ii) at the rate or rates in force,
(iii) at the rate of twenty percent.
The characterization of the gains/losses in the hands of the shareholder, arising from sale of shares, as capital gains or business income would depend on the nature of holding and various other factors.

Special Tax Benefits to the Shareholders of the Company.

There are no special benefits accruing to the Shareholders of the company.

Notes:

1. The above statement of possible tax benefits are as per the current direct tax laws relevant for the assessment year 2013-14. Several of these benefits are dependent on the Company or its shareholder fulfilling the conditions prescribed under the relevant tax laws.
2. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.
3. 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 as on the date of this RHP, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

SECTION IV – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

HOUSING INDUSTRY IN INDIA

The robust growth of the Indian economy and the resultant rise in the per capita income are stepping up the pace of urbanisation. This, along with the increasing availability of finance, has resulted in a growth in demand for housing in the past few years. As per CRISIL estimates, the housing stock in India stands at around 243.5 million households in Fiscal 2011, as compared to around 192.2 million households in Fiscal 2001.

Further improvements in the macro-economic scenario, coupled with associated demographic changes in population such as changing age-mix, increasing nuclearisation of families, etc., are expected to give an added impetus to the growth of the housing industry in India.

Source: CRISIL Report, Retail Finance – Housing, July 2012

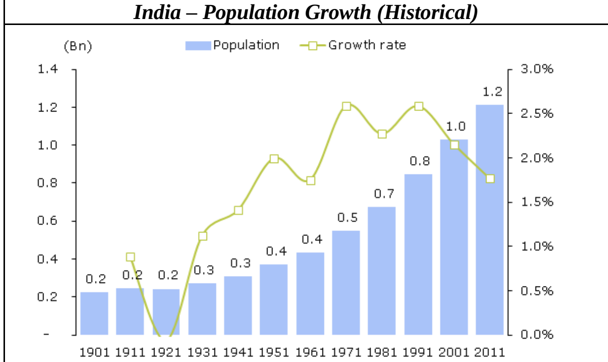
Key Demand Drivers

The key demand drivers for the housing industry in India are as follows:

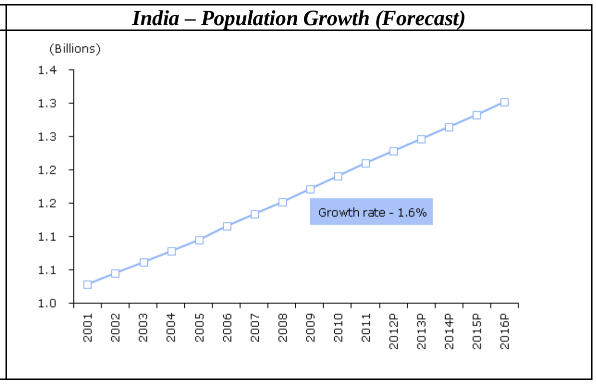
- ***Population growth backed by favourable demographics***

  India is the second most populous country in the world with an estimated population of 1.21 billion in 2011 as against 1.03 billion in 2001, representing a decadal growth rate of approximately 17.64%. As per CRISIL estimates, India's population has been growing at around 1.6% per annum in the last decade. However, the growth rate has moderated in the last couple of decades and is expected to slow further to 1.5% per annum in the current decade.

India – Population Growth (Historical)



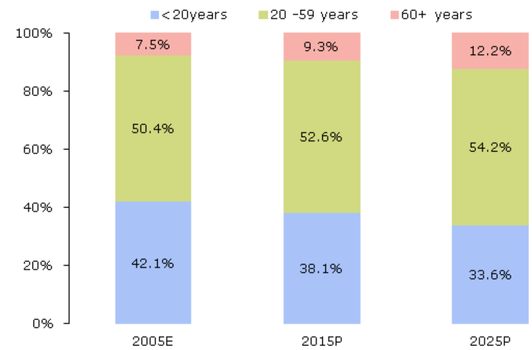
India – Population Growth (Forecast)



Source: CRISIL Report – Housing, November 2012

This population growth is also resulting in an increase in the working population, thereby generating greater demand for housing. As per CRISIL estimates, the population within the age-group 20-59 years is expected to increase from 50.4% of the total population in Fiscal 2005 to 54.2% of the total population in Fiscal 2025, as shown in the graph below:

India - Age-wise breakup of Population



Source: CRISIL Report – Housing, November 2012

- ***Acute shortage of housing stock***

Despite strong growth in housing supply in recent years, India still faces a shortage of houses, especially in urban areas. As per the Report of the Technical Group on Urban Housing Shortage for the 12th Five Year Plan ("TG-12"), housing shortage is defined as the number of households that would not have acceptable dwelling units or no dwelling unit to live in at the beginning of the 12th Five Year Plan. The housing shortage in urban India was estimated to stand at 18.78 million units, as of March 1, 2012, as shown in the table below:

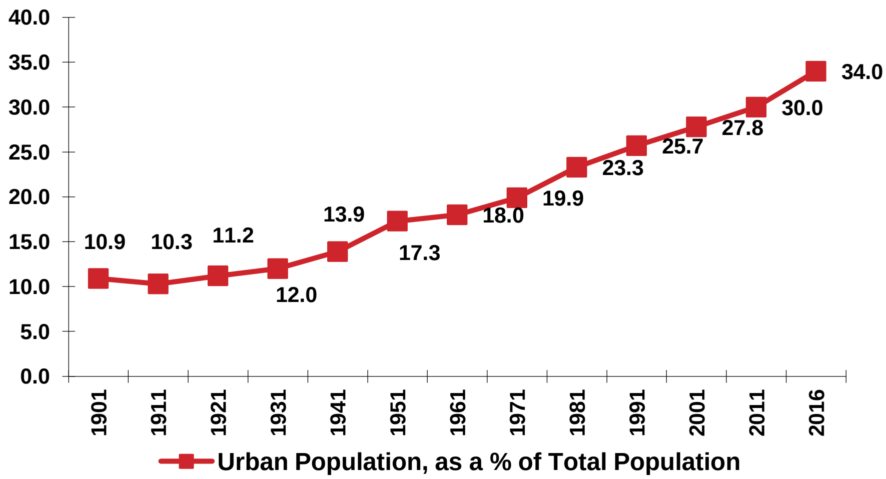
Particulars	Requirement Shortage (Million Units)
Households living in non-serviceable katcha units	0.99
Households living in obsolescent houses	2.27
Households living in congested houses requiring new houses	14.99
Households in homeless condition	0.53
Total	**18.78**

As various government and private agencies build additional housing stock for reducing this shortfall, it will lead to additional demand for housing loans.

Source: Report of the Technical Group on Urban Housing Shortage for the 12th Five Year Plan (http://mhupa.gov.in/W_new/urban-housing-shortage.pdf)

- ***Increasing Urbanization***

The dynamics of growth in the urban population within the overall population growth are slightly different. The share of urban population has risen steadily to around 30% of the overall population in Fiscal 2011. As per statistics published by the Office of Registrar General & Census Commissioner of India, the share of urban population has been increasing steadily from 27.8% in Fiscal 2001 to 31.2% in Fiscal 2011 (as per 2011 census). The growth in urban population has been higher at 2.2-2.5% per annum, as compared to the 1.4-1.7% per annum growth in overall population. As per CRISIL estimates, the urbanization trend is expected to continue in the future, from an earlier growth rate of around 2.8% per annum during the last decade (2001-2011) to around 2.6% per annum between Fiscal 2011 and 2016 (as compared to a total population increase of around 1.5% per annum) to reach over 34% in Fiscal 2016, as shown in the graph below:



Source: CRISIL Report – Housing, January 2012

Increasing urbanization has a dual impact on the demand for housing. On one hand, it reduces the area per household, while on the other it leads to an increase in the nuclearisation of families, leading to the formation of a greater number of households. Further, with increasing demand for housing units in urban areas, the property prices also start going up, leading to higher ticket size of loans and leading to larger disbursements.

- ***Increasing Nuclearisation***

Nuclearisation refers to the formation of nuclear families from extended or joint families. It is often driven by employment-related migration, largely to urban areas, and impacts the housing demand in a manner similar to urbanisation. It reduces the area per household but the overall household formation rises, thereby increasing the demand for housing units.

Source: CRISIL Report: Retail Finance – Housing, July 2012

- ***Rising Affordability***

Sustained economic growth in India has led to several demographic changes in its population such as more employment opportunities, a rise in overall income levels and changing savings vs. spending habits, among others. A large proportion of India's working population is young, with higher aspiration levels leading to rising standards of living, matched with sufficient purchasing power.

Over the last few years, there has been a steady movement of households into higher income categories, leading to increasing affordability. For example, the number of ₹ 0.2-0.5 million income households and greater than ₹ 0.5 million income households in India are estimated to have grown at a CAGR of 15% and 12% respectively, from Fiscal 2005 to Fiscal 2011, while the less than ₹ 0.1 million income household category represented an estimated 58% of the total population in Fiscal 2011 as compared to 73% in Fiscal 2005.

With rising income levels, there is greater demand for owned houses as well as larger houses, thereby providing a fillip to the housing industry.

Source: CRISIL Report: Retail Finance – Housing, July 2012

- ***Increasing penetration of housing finance***

Increasing availability of housing finance along with low interest rates in the past, have given significant fillip to house purchases. This is driven by factors like good branch and agency network of lenders, increasing acceptability of loans by customers, etc. As per CRISIL estimates, finance penetration in urban areas stood at 39% in Fiscal 2012, and is projected to increase to 40.8% in Fiscal 2013, and to 43.5% in Fiscal 2017.

In comparison, housing finance penetration in rural areas is estimated to have stood at only 8.2% in Fiscal 2012 and is expected to increase to 8.3% in Fiscal 2013 and to 8.9% by Fiscal 2017. The lower penetration of housing finance in rural regions is primarily due to absence of adequate branches by lenders because of higher cost of operations, absence of large salaried class, and challenges in valuing collateral in rural areas. The finance penetration in rural areas is expected to remain low, unless private financiers shift focus to these markets and establish a good branch network. Rural, in this parlance, refers to places with a population of less than 10,000 as per the Census of India 2001, many of which are areas considered peripheries of large cities or even tier-3/tier-4 towns.

Source: CRISIL Report: Retail Finance – Housing, October 2012

- ***Government's thrust on housing***

The government has been offering several tax concessions to spur housing demand, which have also been instrumental in driving growth in housing and housing finance sectors. The government has provided tax sops to both borrowers and lenders.

Some of the tax benefits provided by the Government include:

Tax benefits to individuals:

Tax deduction is available for home loans under two sections of the I.T. Act (excluding home loans from private sources such as friends, family, etc.). The change in income tax slabs in the Union Budget 2012-13 will lead to a significant reduction in tax liability for the salaried class. This will result in an increase in disposable income and is likely to induce higher demand for housing finance.

- *Extension of the Interest Subvention Scheme*: The Finance Minister in the Union Budget 2012-13 has extended the interest subvention scheme to March 2013. Under the scheme announced in the Union Budget 2009-10 and amended in 2011-12, home buyers get 1% interest subsidy for loans up to ₹ 1.5 million, provided the cost of the house does not exceed ₹ 2.5 million.
- *Interest paid on home loan:* As per Section 24(b) of the IT Act, deduction on account of annual interest payment of up to ₹ 0.15 million on home loans can be considered from the total income, where the house is self-occupied.
- *Exemption of Capital Gains:* As per section 54 of the IT Act, capital gains arising from transfer of residential house property are exempt from income tax, if invested in acquiring a residential house.
- *Principal repayment of home loan*: As per Sections 80C read with Section 80CCE of the IT Act, principal repayment up to ₹ 0.1 million on home loan is allowed as a deduction from gross total income.

Tax benefits given to lenders of housing loans:

- *Section 36(1)(viii) of the IT Act:* 20% of profit derived from business of providing long term housing finance for residential purposes, is deducted from income in computing the income-tax, provided it is carried to a special reserve. However, this deduction is available only up to twice the total amount of the HFC's paid-up share capital and general reserves.

Tax benefits to developers:

- *Section 80(IB) of the IT Act:* The construction period for real estate developers to avail benefits under Section 80(IB)(10) has been extended to 5 years from the previous 4 years. Under this section, profits from housing projects approved before March 31, 2008 were eligible for deduction from taxable income, under the affordable housing projects. To be eligible, the housing project should be approved by the Central or State government with a minimum area of one acre and maximum built-up area of 1,000 sq ft per residential unit in the metros and 1,500 sq ft in the non-metros. As this date has not been revised, the provisions of this section will cease to exist after March 31, 2013.

HOUSING FINANCE INDUSTRY IN INDIA

Industry composition

India's housing finance industry mainly comprises banks and HFCs, and to a certain limited extent, smaller institutions such as community-based organisations, self-help groups, etc. The NHB operates as the principal agency for promoting, regulating and providing financial and other support to HFCs at local and regional levels, while banks and NBFCs are managed and regulated by the RBI. As of February 5, 2013, 56 companies have been granted certificates of registration by NHB to act as HFCs.

Source: http://www.nhb.org.in/Regulation/RegisteredCompanies.PHP *and* http://www.nhb.org.in/Regulation/NonValidCompanies.PHP, *accessed on February 5, 2013*

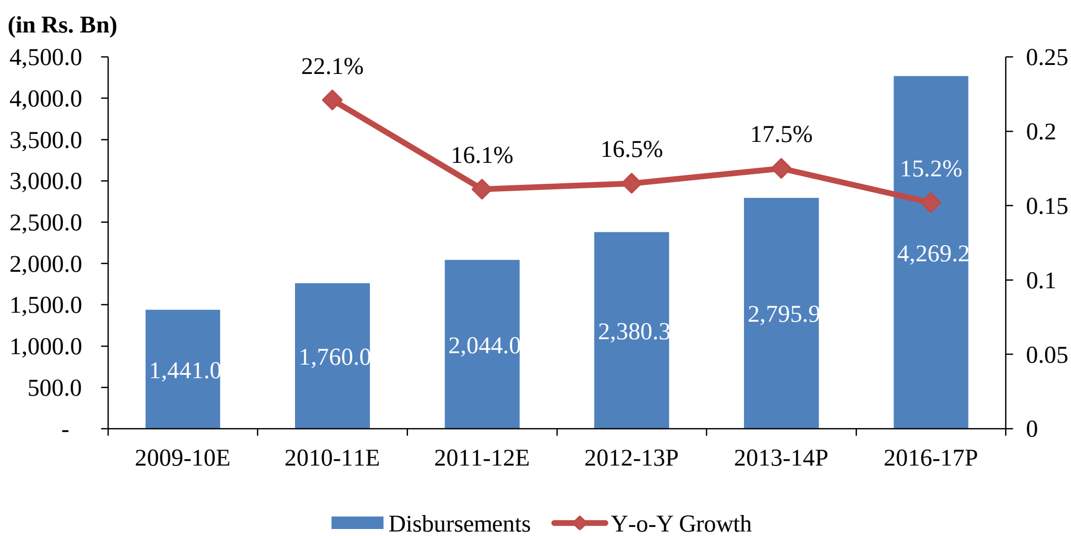
Historically, the housing finance industry was dominated by HFCs. However, towards the end of the 1990s, the scheduled commercial banks became very active in lending to the housing sector in the backdrop of lower interest rates, rising disposable incomes, stable property prices and fiscal incentives by the government.

While banks depend on their own equity and reserves and large deposit base for funding their housing loan portfolios, HFCs primarily depend on funding sources such as loans from banks and financial institutions, financing from NHB, borrowing through bonds and debentures, commercial paper, subordinate debt and fixed deposits from public, besides their own equity and reserves.

Increased competition in the housing finance industry has also led to the introduction of new mortgage products in the market, such as variable interest rate loans, loan for repairs and renovation, and customised products with features like ballooning EMI, depending on the need and eligibility of the borrowers concerned. In addition, some banks and HFCs also offer home equity loans (loans against the mortgage of existing property), which may be used for non-housing purposes.

Disbursements

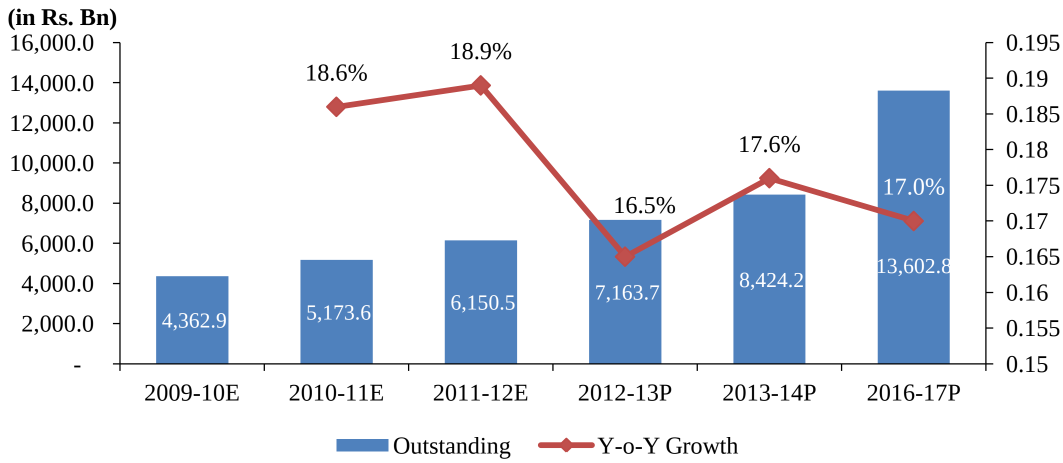
As per CRISIL estimates, housing finance disbursements are estimated to have grown by around 16.1% in Fiscal 2012 to ₹ 2,044 billion (as compared with ₹ 1,760 billion in Fiscal 2011). Over the next 5 years, housing finance disbursements are projected to grow at a CAGR of 16% to reach ₹ 4,269 billion by Fiscal 2017. Increase in transaction volumes, rise in property prices and higher loan to value ("**LTV**") ratios are some of the key drivers behind the growth in disbursements in the housing finance industry. The year on year growth (historical & projected) in the outstanding housing loan portfolio in India is graphically represented in the chart below:



Source: CRISIL Report: Retail Finance – Housing, October 2012

Outstanding Loans

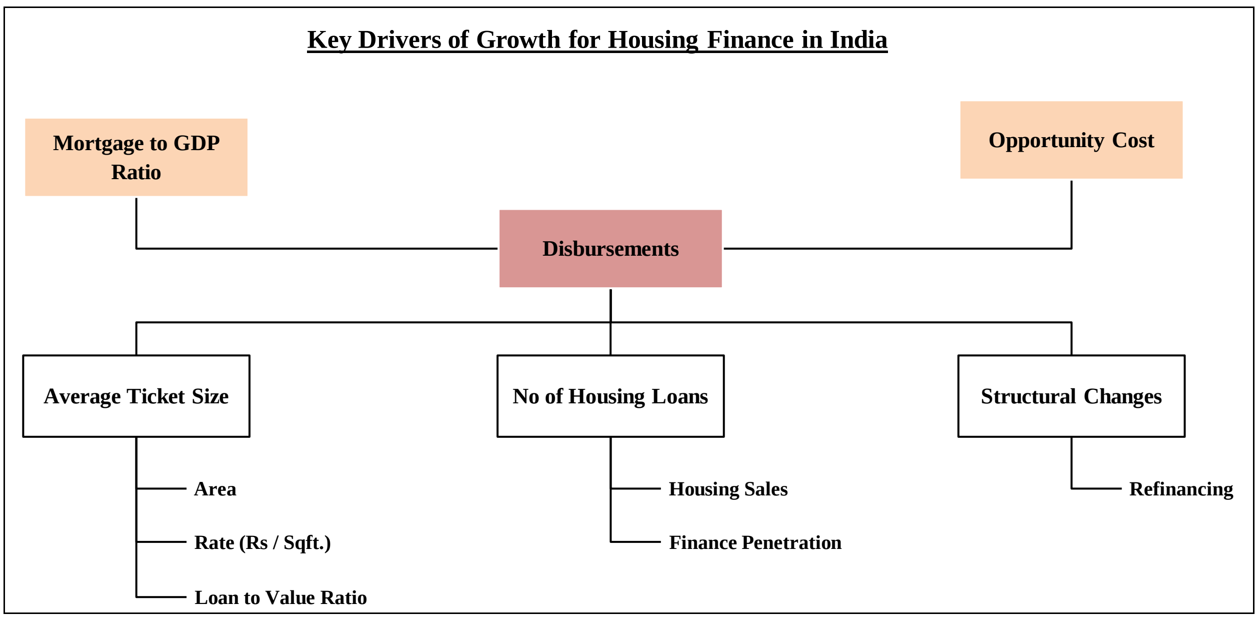
The quantum of outstanding loans is impacted by a combination of disbursements, repayments and pre-payments. As per CRISIL estimates, housing finance outstanding portfolio, i.e. the total loan book of a housing finance player, grew by around 19% Y-o-Y in Fiscal 2012 (to ₹ 6,150.5 billion as compared with ₹ 5,173.6 billion in Fiscal 2011), due to a steady growth in disbursements and lower prepayments. The housing finance outstanding portfolio is expected to grow at a CAGR of 17% to reach ₹ 13,602.8 billion in Fiscal 2017. The chart below shows the historic and projected growth in the outstanding housing loan portfolio in India.



Source: CRISIL Report: Retail Finance – Housing, October 2012

Key Drivers of Growth for Housing Finance

The key factors driving growth in housing finance disbursements and outstanding housing finance loan portfolio are laid out in the diagram below.



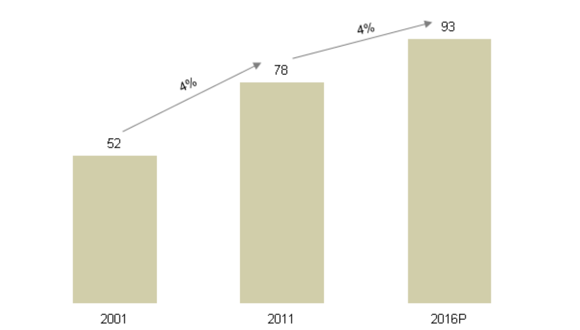
Source: CRISIL Report: Retail Finance – Housing – Annual Review, Opinion, April 2010

- ***Growth in housing stock***

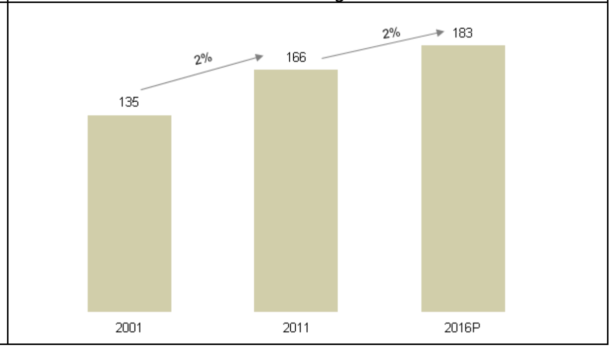
For the housing finance industry to grow, there has to be an available stock of houses which can be mortgaged. Any growth in this available stock of houses will provide additional impetus to the growth of the housing finance industry.

The annual addition to housing stock in India peaked in Fiscal 2008 after a period of continued growth driven by increase in demand, especially in urban areas. As per CRISIL Research, housing stock is estimated to grow at a CAGR of 2.3% over the next five years (Fiscal 2012 – Fiscal 2016) with a higher growth expected in the urban segment (CAGR of 3.3% from Fiscal 2012 – Fiscal 2016) as compared to the rural segment (CAGR of 1.8% from Fiscal 2012 – Fiscal 2016). The share of rural housing stock, as a percentage of total housing stock is expected to fall marginally by Fiscal 2016 as compared to Fiscal 2011 on account of increasing migration from rural to urban regions because of better job opportunities.

Urban Housing Stock



Rural Housing Stock

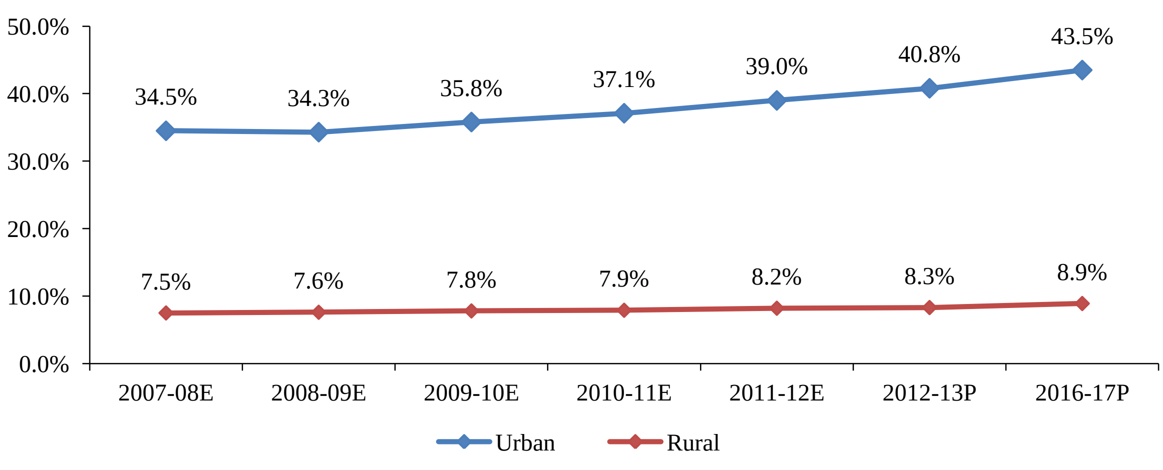


Source: CRISIL Report: Housing, July 2012

- ***Penetration***

Historically, penetration of housing finance has been low, impeding the growth of the industry. This has been particularly true in rural areas where banks and large HFCs have not focused historically due to their higher cost of operations. As per CRISIL estimates, finance penetration in urban areas stood at 39% in Fiscal 2012, and is projected to increase to 43.5% in Fiscal 2017. Similarly, the housing finance penetration in rural areas stood at 8.2% in Fiscal 2012, and is projected to increase to 8.9% by Fiscal 2017.

Rural areas continue to lag behind urban regions in terms of availability of housing finance, largely due to lesser numbers of players offering housing finance in these regions, thereby providing a good opportunity to lenders with lower cost of operations and a good understanding of rural markets to expand their operations.



Source: CRISIL Report: Retail Finance – Housing, October 2012

- ***Average ticket size***

ATS is a function of the area per house, price per square feet and LTV ratio. According to CRISIL, average ticket size for new homes in urban areas is projected to have grown at a CAGR of 9.3% increasing from ₹ 1.38 million in Fiscal 2008 to ₹ 1.80 million in Fiscal 2011. This increase was driven largely by the rise in the property prices and increase in the saleable area during 2010-11.

In Fiscal 2012, the urban ATS grew only by 6%, as property prices in markets such as Mumbai, Delhi-NCR region, Hyderabad and Chandigarh stabilised. Unsold inventories, the result of high interest rates, may have led to price corrections in some areas, impacting the growth in ATS.

CRISIL Research suggests that the rise in ATS in Fiscal 2013 will be driven by the increase in property prices in non-metros such as Pune, Bengaluru, Ahmedabad and Chandigarh and metros such as Chennai and Kolkata, and expects the ATS to increase by 7-8% Y-o-Y over the next 2 years in line with the appreciation expected in the property prices in tier-II and tier-III cities.

However, over the longer term, the ATS in urban areas is expected to grow by a firm 9-10% CAGR on account of an expected increase in property prices and a marginal increase in the LTV ratio.

The ATS estimates for the past years, and projections are tabulated below:

₹ Million	**Fiscal 2010 (E)**	**Fiscal 2011 (E)**	**Fiscal 2012 (E)**	**Fiscal 2013 (P)**	**Fiscal 2014 (P)**	**Fiscal 2017 (P)**
Urban – New	1.59	1.80	1.91	2.02	2.22	3.03
Urban – Resale	1.29	1.46	1.55	1.62	1.80	2.46
Rural – New	0.50	0.54	0.56	0.57	0.59	0.67
Rural – Resale	0.39	0.41	0.43	0.43	0.44	0.51

Source: CRISIL Report: Retail Finance – Housing, April 2012 & October 2012

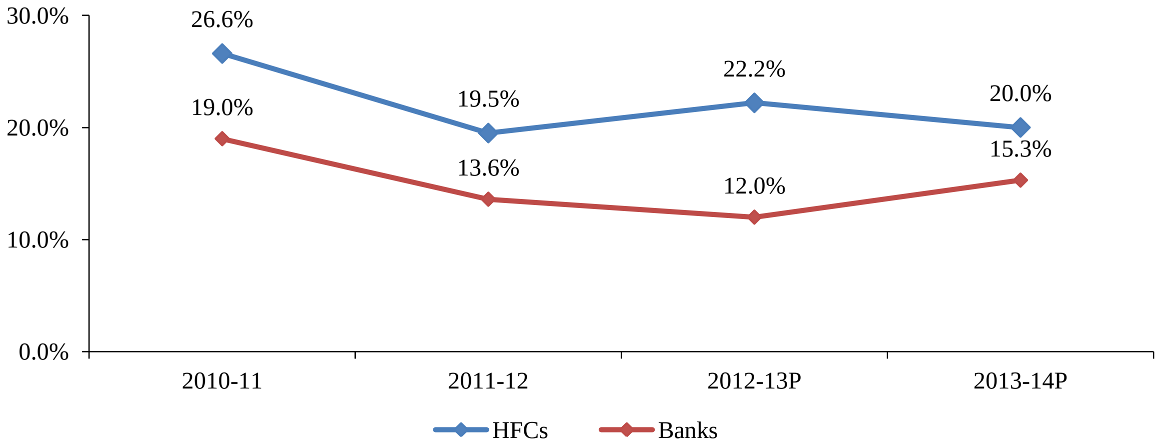
To summarise, the growth trend in housing finance disbursements is expected to continue to increase driven by multiple factors such as increasing demand for housing, the rise in the average ticket size and the increasing penetration levels. From the lender's perspective, housing finance being one of the low risk asset classes is expected to keep contributing to a major portion of their retail lending portfolio. Besides, the higher proportion of floating rate loans, which helps financers manage the interest rate risk, would provide further impetus to disbursements.

KEY TRENDS IN THE HOUSING FINANCE INDUSTRY IN INDIA

The key trends in the housing finance industry in India are as follows:

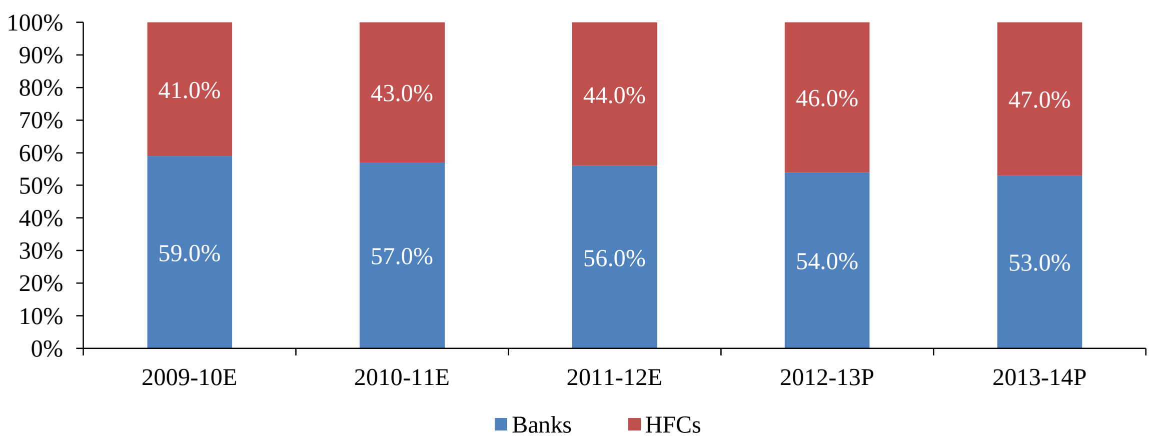
- ***HFCs gaining market share***

Over the years, the market share of housing finance companies (HFCs) has significantly improved vis-à-vis banks on account of robust growth in disbursements of the former. In recent times, with slowdown in corporate credit, banks are aggressively focusing and competing with HFCs in the home loan segment. However, with strong origination skills and diverse channels of sourcing business, HFCs will continue to gain market share. The expected growth rates of banks and HFCs in disbursements are depicted in the chart below.



Sources: CRISIL Report: Retail Finance – Housing, October 2012

According to CRISIL Research, bank disbursements are expected to grow by 12.0% in Fiscal 2013, whereas disbursements by HFCs are expected to grow at 22.2% during the same year. HFCs are expected to grow faster because of their increasing presence in tier II and tier III centres, increase in their ATS and stable asset quality. Consequently, CRISIL Research estimates the share of HFCs to increase to around 47% in Fiscal 2014.



Sources: CRISIL Report: Retail Finance – Housing, October 2012

Despite slowdown by private banks, the banking segment retained market share in Fiscals 2009 & 2010, led by aggressive interest rate schemes by public sector banks. However, subsequent introduction of similar competitive schemes by HFCs helped HFCs increase their market share in Fiscal 2011. A less aggressive approach together with concerns on asset quality is expected to further limit the growth of banks in the coming quarters.

- ***Focus on salaried segment, self-employed borrowers ignored***

Historically banks and HFCs have largely focused on the salaried class, as can be seen by the fact that salaried borrowers account for 80-85% of the total outstanding loans. The key reason behind this skew towards the salaried segment is the ease in validating the income levels and the repayment capabilities of salaried borrowers vis-à-vis self-employed persons. Further, lenders have traditionally viewed the salaried segment as one with stable cash flows and, hence, consider it as lower risk. However, this has also resulted in the self-employed borrowers being largely ignored by the organised lenders, forcing them to rely on personal loans or loans from unorganised sources at higher interest rates.

Source: CRISIL Report: Retail Finance – Housing Update, May 2011

- ***HFCs have been able to maintain net profit margins***

  According to CRISIL, HFCs, despite having a higher cost of funds as compared to banks, have been able to maintain comparable gross spreads and with improved efficiencies, lower operating costs and better risk management practices, have a net profit margin slightly higher than the banks. As per their estimates, HFCs are expected to maintain a net profit margin of 1.6-1.7% of loan book as against banks at 1.5-1.6% of loan book based on incremental disbursements.

  Source: CRISIL Report: Retail Finance – Housing Update, May 2011

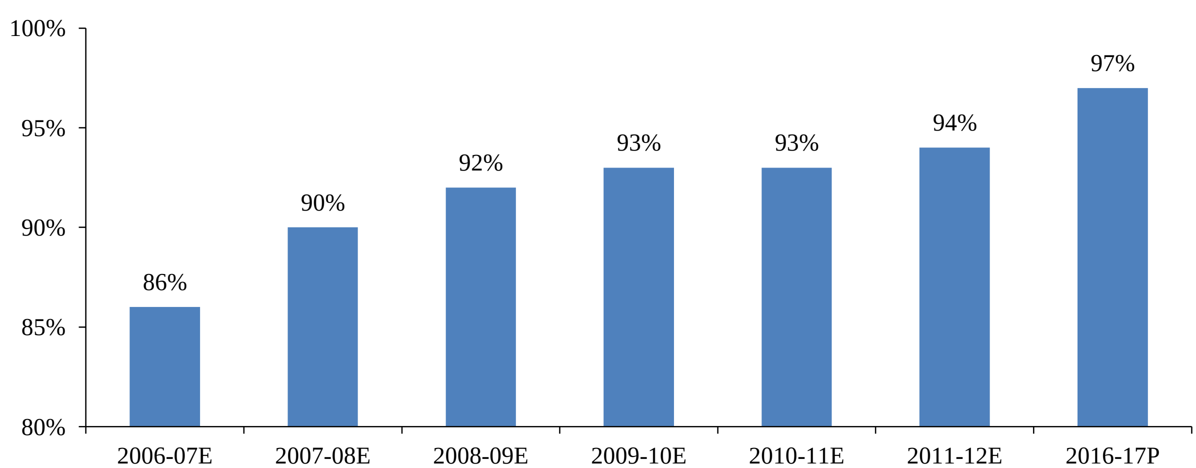
- ***Diversification of sources of funds by HFCs***

  The typical funding sources for HFCs include bank loans, non-convertible debentures ("**NCD**"), fixed deposits, commercial papers, NHB refinancing and other loans. Larger HFCs have been able to build a more diverse funding base due to their superior credit rating and their ability to target the NCD market for funds. In contrast, smaller HFCs have leveraged the NHB refinance facility for priority sector/rural lending, which is offered at lower than market interest rates. This has helped the smaller HFCs to compete with banks and larger HFCs by reducing their cost of funds.

- ***Floating rate loans account for bulk of market***

  All housing loans in India typically carry a fixed interest rate or a floating interest rate. A fixed rate loan is one where the rate of interest remains constant throughout the tenure of the loan or for a specific number of years. Whereas, in a floating rate loan, the borrower pays interest at a rate that is linked to the benchmark prime lending rates of financiers. The rate charged on fixed rate loans is generally higher than that charged on floating rate loans, due to the higher interest rate risk in case of the former. Due to the long-term nature of the housing loans and medium-term nature of the lender's liabilities, lenders prefer to lend at floating rates, as it allows them to re-price the loans as and when their cost of funds increases.

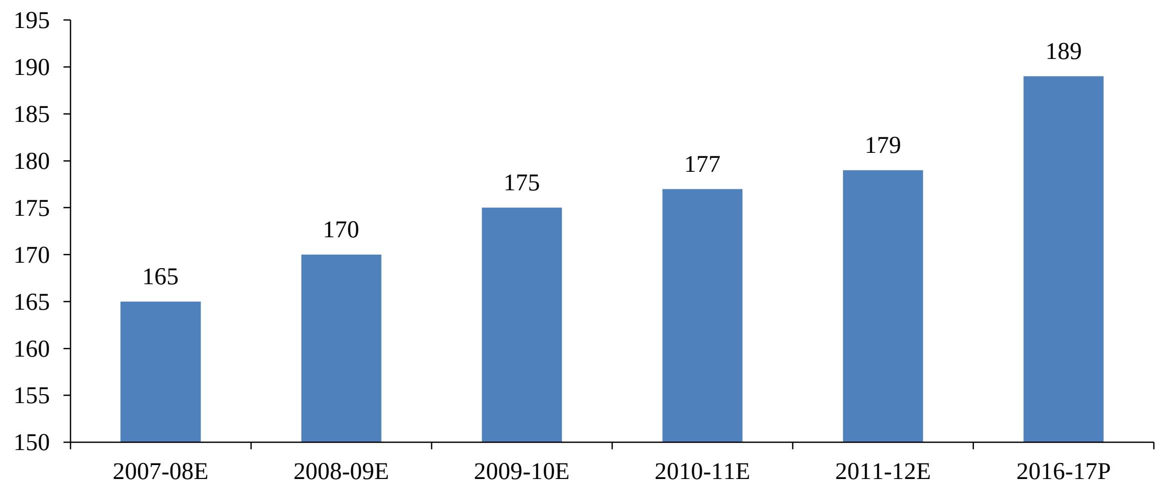
  The proportion of floating rate loans has been increasing for the last several years, primarily due to the indirect push from the lenders side by way of a higher spread between fixed rate loans and floating rate loans, which in some cases was around 275 bps. Post 2009-10, the rising interest rate scenario made borrowers opt for floating rate loans in anticipation of reduction or stabilization of interest rates in the later years. According to CRISIL, the proportion of floating rate loans is expected to continue rising and reach around 97% in Fiscal 2017.



Source: CRISIL Report: Retail Finance – Housing, October 2012

- ***Average loan tenures rising gradually***

Over the last few years, the average contractual tenure of loans has been gradually rising with a rise in the property prices. As the increase in tenure decreases the EMI, it allows the customer to borrow a higher amount. As per CRISIL, the average loan tenure stood at 165 months in Fiscal 2008 and has since risen to 179 months in Fiscal 2012. By Fiscal 2017, the average loan tenure is expected to further rise to 189 months.

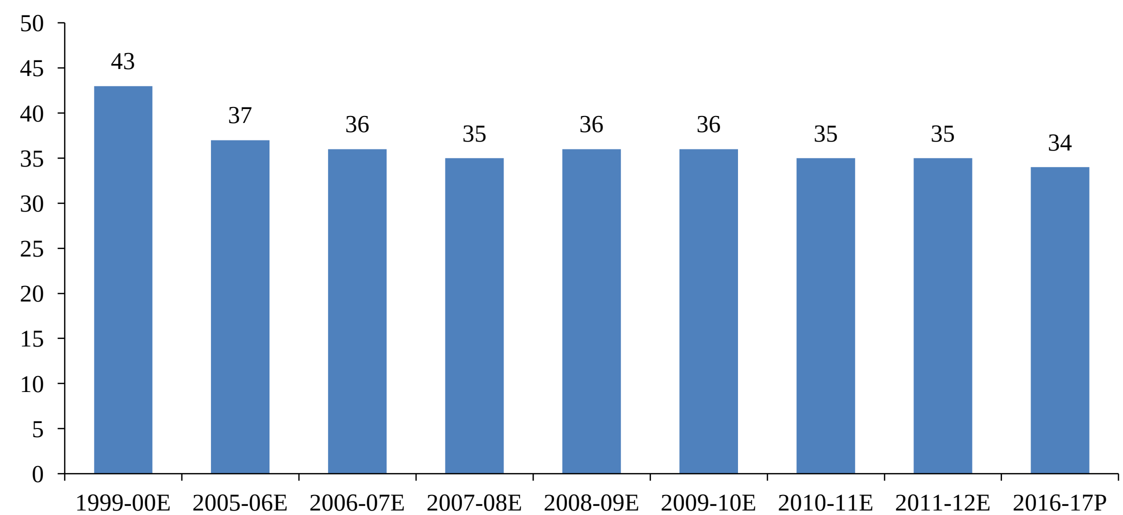


Source: CRISIL Report: Retail Finance – Housing, October 2012

- ***Average age of borrowers coming down***

According to CRISIL, almost 80-85% of home loan borrowers belong to the salaried class. Between 1999-00 to 2007-08, salaries are estimated to have increased at a higher rate than the rise in property prices, thereby increasing the affordability of new houses for individuals. Also, the growth rate in salaries has been higher for those in the younger age bracket than those who are close to retirement. This trend, coupled with tax incentives in place for interest and principal repayments, has prompted more and more young people to buy houses.

The average age of housing finance customers in India is estimated to have reduced from 43 years in Fiscal 2000 to 35 years in Fiscal 2012 and is further expected to go down to 34 years by Fiscal 2017.



Source: CRISIL Report: Retail Finance – Housing, October 2012

KEY SUCCESS FACTORS

The key factors to succeed in the Indian housing finance industry are as under:

- ***Cost of Funds***

  Cost of funds is a crucial factor driving profitability in the housing finance business. Ability to access lower cost funds on a sustainable basis is very important to remain profitable in the long-term. Although cost of funds is expected to vary directly with a variation in the interest rate cycle, every HFC needs to efficiently manage it by having a robust mix of liabilities. Some of the sources for lower cost funds, being tapped by HFCs, include loans from multilateral agencies and NHB refinance for priority sector/rural loans.

- ***Strong credit function***

  A strong credit function is the cornerstone of any lending business, including the housing finance business. Specifically in the housing finance industry, ability to understand the local customer psyche, conducting proper diligence on the borrower, assessing his/her income sources, cash flows, property valuation, title verification and the like are extremely important to avoid lending money to sub-standard borrowers and/or avoid fraud. It is also important to ensure that there is a distinction between the origination and credit sanction functions to avoid malpractices in the loan sanctioning or dilution of credit norms to parties known to the origination team.

- ***Management of NPAs***

  Effective management of NPAs is critical in order to succeed in the housing finance business. In a rising interest rate environment, a focused and effective approach for management of NPAs and their recovery is even more important. Enactment of laws like the SARFAESI Act has greatly helped banks and HFCs in this regard, and it is important for them to be able to implement these laws on the field to recover bad loans.

- ***Cost of operations***

  Cost of operations of a housing finance player depends on a number of factors, including minimum size of branch, staffing requirements, use of intermediaries, technology intensiveness and average ticket size of loans disbursed. A housing finance player can successfully increase its profit margins by improving the operating efficiencies and keeping its cost of operations low. A lower cost base can also allow HFCs to function profitably in smaller towns and rural areas which may not be adequately serviced by banks and larger HFCs due to their higher cost of operations.

- ***Product features***

  In the environment of increasing competition, housing finance players need to continuously innovate in their product offerings and offer products which can be differentiated from other players. Product features like adjustable rate plans, lower processing fees, monthly rests, low interest rates, low EMI, lower margin money, free add-ons, etc., have become common across the industry. To increase the attractiveness of the loan products, players have also started including the registration cost, stamp duty, society charges and other related costs while sanctioning loans.

- ***Brand recognition***

  Brand value is an enduring source of advantage for the housing finance player. Different strategies can be adopted to build brand awareness and increase brand loyalty. These strategies would depend on the focus of the players which may vary from being a nation-wide player covering a broad spectrum of borrowers to a regionally concentrated player with a deeper knowledge and understanding of the local markets. Brand building takes considerable effort and time but is very important in this industry, especially given that borrowers typically borrow from someone with a strong brand, due to the long term nature of the liability and concerns about hidden charges and lack of transparency.

OUR BUSINESS

The following information should be read together with the information contained in the sections titled "Risk Factors", "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements" beginning on pages xiii, 63, 130 and 129, respectively, of this Red Herring Prospectus.

Unless otherwise stated, the financial information of our Company used in this section is derived from our audited financial statements prepared under Indian GAAP and the Companies Act, and restated pursuant to the SEBI ICDR Regulations.

OVERVIEW

We are a professionally managed housing finance company headquartered in Chennai, Tamil Nadu. We were promoted by The Repatriates Co-operative Finance and Development Bank Limited ("**Repco Bank Limited**"), a Government of India owned enterprise, in April 2000, to tap the growth potential in the housing finance industry. We are registered as a housing finance company with the NHB, the housing finance regulator of India.

We are engaged primarily in the business of financing (i) the construction and/or purchase of residential and commercial properties including repairs and renovations ("**Individual Home Loans**"); and (ii) loans against properties ("**Loans Against Property**"). As of December 31, 2012, we had 73 branches and 19 satellite centres located in Tamil Nadu, Karnataka, Andhra Pradesh, Kerala, Maharashtra, Odisha, West Bengal, Gujarat and the Union Territory of Puducherry. Further, as of December 31, 2012, 77 of our branches and satellite centres were located in tier 2 cities and tier 3 cities, and at the peripheries of tier 1 cities, based on our belief that they are underserved by larger HFCs and banks.

In 2007, we raised funds aggregating to ₹ 759.35 million, by way of an issue of Equity Shares and CCPS to Carlyle, an affiliate of the Carlyle group, a global alternative asset manager. Subsequently, the CCPS have been converted into Equity Shares on July 30, 2009. For further details, please see sections titled "*Capital Structure*" and "*History and Certain Corporate Matters*" beginning on pages 34 and 100, respectively.

We have leveraged our key strengths of (a) direct customer contact and customer ownership, (b) focus on quality customer servicing, transparency and speed of operations, (c) focus on relatively underpenetrated markets and segments, (d) robust risk management systems and processes, (e) low cost operations, (f) well recognised brand in South India with an established track record, and (g) experienced senior management team, to generate significant growth in loan book and profitability, while maintaining strong asset quality.

Our outstanding loan portfolio has grown at a CAGR of 43.81% from ₹ 6,550.83 million as of March 31, 2008 to ₹ 28,021.55 million as of March 31, 2012. Our outstanding loan portfolio as at March 31, 2012 and as at March 31, 2011 was ₹ 28,021.55 million and ₹ 20,735.22 million, respectively. Our outstanding loan portfolio as at September 30, 2012 and September 30, 2011 was ₹ 30,978.03 million and ₹ 24,286.95 million, respectively. Similarly, our profit after tax has grown at a CAGR of 45.47% from ₹ 150.87 million for Fiscal 2008 to ₹ 675.64 million for Fiscal 2012. Our gross NPA was 2.12% and 1.76% and our net NPA was 1.60% and 1.38% as at September 30, 2012 and September 30, 2011, respectively. Our gross NPA was 1.37%, 1.21% and 1.24% and our net NPA was 0.95%, 0.95% and 0.97% as at March 31, 2012, 2011 and 2010, respectively. Since loans to non- salaried customers comprise a significant proportion of our outstanding loan portfolio, our NPA levels vary during the year. While our business is not seasonal, our NPA levels vary during the year as would be evident from the data set out above.

The total long term borrowings (including current maturities of long term borrowings) and short term borrowings of our Company, as at September 30, 2012 and March 31, 2012, were ₹ 27,352.76 million and ₹ 24,860.43 million, respectively, and the CRAR as at September 30, 2012 and March 31, 2012 amounted to 15.94% and 16.50%, respectively. Our term loan facilities aggregating to ₹ 2,974.80 million were assigned an "[ICRA]A+" with a "stable outlook" rating by ICRA Limited on January 30, 2013 which is valid till May 31, 2013. For further details, please see the section titled "*Financial Statements*" beginning on page 129.

We believe that our loan portfolio is well diversified across salaried and non - salaried borrowers. Loans to salaried and non-salaried borrowers constituted 47.29% and 52.71%, respectively, of our loan book as at September 30, 2012. The non-salaried borrower base, which we believe is a relatively under penetrated target segment, comprises Self Employed Professionals ("**SEP**") and Self Employed Non-Professional ("**SENPs**").

We intend to grow our loan book, income and profits through (a) deepening our reach in existing regions and expanding to new regions, (b) continued focus on under penetrated markets, (c) maintaining strong asset quality through continued focus on risk management, (d) accessing low cost and diversified sources of funds, and (e) maintaining low operating costs, amongst others.

OUR COMPETITIVE STRENGTHS

We believe that our competitive strengths are as follows:

Direct customer contact and customer ownership

Our Company's marketing strategy is focussed on direct and localised advertising through loan camps and word of mouth referrals. As a result, most of our customers are either "walk-in" borrowers or referred by existing borrowers of our Company. Our Company, typically, does not use marketing intermediaries to communicate with or service its customers. Our branch offices act as single points of contact for our customers. The branches are responsible for sourcing loans, carrying out preliminary checks on the credit worthiness of the prospective customers, providing assistance in documentation, disbursing loans and in monitoring repayments and collections. This approach allows our Company to have direct contact with the customer at all times and enables us to provide personalised service to all of our customers resulting in a satisfied customer base, increased customer connect and loyalty.

We believe that our direct marketing approach mentioned above helps the Company in brand building and in attracting new customers. Further, we also believe that direct customer contact reduces incidents of fraud in the loan appraisal process.

Focus on quality customer servicing, transparency and speed of operations

Our branch offices serve as a single point of contact for customers. Since face to face meetings with our customers are mandatory for procuring our loan products, our branch personnel are able to clearly articulate and explain the various loan products to our customers, the rates of interest, fees and charges, key distinguishing features of various products offered, and the timelines for credit appraisal and disbursement. This approach reduces the possibility of mis-selling a loan to a customer and hence reduces potential for future disputes.

Our branch offices coordinate with both the head office and external agencies such as independent, empanelled lawyers and valuers, amongst others, during the credit appraisal process. We believe that effective coordination between our branch offices and our head office at all stages of operations allows us to operate in a transparent and speedy manner. For instance, while loan camps are conducted by our branch personnel, personnel from our head office are present to assist in credit evaluation and oversee the general functioning of the loan camps. Once the loan application together with the accompanying transaction documents (including reports from external agencies) are submitted to our branch offices, it is transmitted online to our centralised credit appraisal team at our head office. This is achieved through a loan origination system which allows real time transmission and review of loan applications resulting in increased efficiency, faster turnaround times and lower operational costs. Our Company also has a centralised depository for storing original loan documents, and this enables us to release the title deeds to the borrower expeditiously upon satisfaction of loan dues.

We believe that our transparent processes and speed of operations result in customer satisfaction which helps attract new customers and enables us to grow rapidly.

Focus on relatively underpenetrated markets and segments

Our Company is consciously targeting markets that are relatively underpenetrated. The key target markets of our Company are in tier 2 and tier 3 cities and at the peripheral areas of tier 1 cities and as of December 31, 2012, the

Company had 77 branches and satellite centres catering to these markets. We believe that sustained growth in the Indian economy will result in urbanization and significant development in tier 2 and tier 3 cities, and our Company is expected to benefit from this trend. For further information, please see the section titled "*Industry Overview*" beginning on page 63.

Our Company has a broad-based customer mix and is not overly reliant on the salaried class which we believe to be a highly competitive market segment. Loans to salaried and non-salaried borrowers constituted 47.29% and 52.71%, respectively, of our outstanding loan book as at September 30, 2012. The non-salaried borrower segment comprising SEPs and SENPs, is under penetrated and underserved by larger HFCs and banks. Our Company has been able to successfully penetrate the non-salaried segment given its direct customer contact, tailored approach and personal evaluation processes followed during credit appraisal.

Robust risk management systems and processes

We believe that our Company has robust risk management systems and processes in place across all areas of operations, namely loan origination, credit appraisal, loan disbursement, and collection and recovery. Some of the key systems and processes are (a) personal interview by branch manager, (b) site visits, (c) scrutiny of income documents and obtaining encumbrance certificates, (d) estimation of property value backed by valuation certificate from independent and empanelled valuers, (e) obtaining legal opinion on title deeds, (f) linking quantum of loans to value of property and income of the potential borrower (LTV and IIR ratios) IIR is the ratio of the monthly instalment to the total monthly income of the borrower. LTV is the ratio of the loan value to the appraised value of the security. The borrower is eligible to take a loan up to the amount as arrived by a standardised calculation., (g) linking interest rates to credit score, (h) mandatory site visits in case of loans for property under construction, (i) inspection of branches by head office personnel periodically on a formal or informal basis, (j) visits by branch personnel and head office personnel in relation to the recovery of non-performing loans, and (k) strong internal controls at all levels (loan approval limits, customers have no contact with credit appraisal team, amongst others).

We believe our risk management systems and processes have resulted in maintaining good asset quality. Our gross NPA and net NPA as at September 30, 2012 was 2.12% and 1.60%, respectively and our gross NPA and net NPA as at September 30, 2011 was 1.76% and 1.38%, respectively. The robustness of the risk management systems of our Company is also demonstrated by the fact that the total amount of loans written off since inception till September 30, 2012 was only ₹ 37.10 million, which was 0.08% of our total disbursements of ₹ 43,129.11 million for the same period.

Low cost operations

Our Company has been able to operate branches in tier 2 and tier 3 cities in a commercially viable manner. Each of our branches generally consists of three or four employees who possess local knowledge and a good understanding of customer needs. Further, our centralised model of credit appraisal helps reduce our administrative costs. Our cost to income ratio was 16.55%, 15.20%, 12.64% for Fiscal 2012, 2011, 2010, respectively and the ratio of operating expenses to outstanding loan book was 0.69%, 0.72%, 0.67% for Fiscals 2012, 2011, 2010, respectively. Our cost to income ratio was 15.38% and 14.86% for the six month period ended September 30, 2012 and 2011 respectively. The ratio of operating expenses to outstanding loan book was 0.64% and 0.66% for the six month period ended September 30, 2012 and 2011 respectively, on an annualised basis.

Our low cost business model helps us expand into and sustain our operations in tier 2 and tier 3 cities which we believe are relatively under penetrated.

Well recognised brand in South India with an established track record

Our Promoter has been operating in South India since 1969 and has all of its 76 branches located in South India with approximately 640,000 customers as of December 31, 2012. Additionally, our Company has been in operation in South India since incorporation, and out of the total network of 92 branches and satellite centres of our Company as of December 31, 2012, 83 branches and satellite centres are located in South India. In addition, our Group Companies, Repco MSME Development & Finance Limited and Repco Foundation for Micro Credit operate in 60 locations in South India as at December 31, 2012. As a result, 'Repco' is a well recognised brand in South India, which has contributed to earning the trust of our customers, enabling us to continually strengthen our foothold in South India.

Experienced senior management team

Our Company's senior management comprises professionals with significant experience in all areas of banking and housing finance. We believe that our management team has a long term vision and provides stability and continuity to our business. Our senior management is supported by a capable and talented pool of trained personnel at our head office and branch offices. This enables us to solicit better quality loan proposals, improve credit appraisal, manage risks better, and provide better quality service to our customers.

OUR STRATEGY

Our business objective is to grow our loan book, income and profits through increased market presence. Key elements of our business strategy include:

Deepening our reach in existing regions and expanding to new regions

We plan to expand and widen our geographic footprint as part of strategy to grow our loan portfolio. We have a two-pronged strategy towards branch expansion – (i) deepening our penetration in geographies where we already have our presence, and (ii) expanding our operations to newer, attractive regions previously untapped by us.

Our Company intends to deepen penetration in South India and expand our footprint in a phased manner by selectively setting-up new branches in the states of Maharashtra, Gujarat and West Bengal amongst others. To deepen our penetration in existing geographies, we plan to selectively expand in the adjoining areas of our existing branches, since this would enable us to leverage our experience in these regions, and also generate greater brand awareness and word-of-mouth referrals. Backed by our familiarity and localised experience, we expect to grow our business by tapping into opportunities in these regions.

We expect that systematic geographical expansion, matched with a continued focus on our competitive strengths, would help us in significantly improving our market share and drive growth.

Continued focus on under penetrated markets

Our Company plans to continue to target markets that we believe are relatively under penetrated. Our key target markets continue to be tier 2 and tier 3 cities and peripheral areas of tier 1 cities. We will continue to target non-salaried customers in the key target markets (comprising SEP and SENPs) who we believe are largely under served. As at December 31, 2012, out of our existing network of 92 branches and satellite centres, 77 branches and satellite centres were located in tier 2, tier 3 cities and the peripheral areas of tier 1 cities. As at September 30, 2012, 52.71% of our loan book comprises loans to the SEP and SENPs. For more details, please see *"Our Competitive Strengths - Focus on relatively underpenetrated markets and segments"* under the section titled "*Our Business*" on page 77.

Given our continued focus on and experience in dealing with customers in the underserved target markets as mentioned above, we understand the customer requirements in these markets and shall continue to evolve processes and products to cater to the needs of the target segment that we serve.

Maintaining strong asset quality through continued focus on risk management

Maintaining strong asset quality is paramount in our business as it directly impacts our provisioning, profitability, net worth and CRAR. Further, we believe that our ability to control levels of NPAs and maintain credit quality of our loan portfolio indicates robust risk management systems and policies that we have in place. For more details, please see *"Our Competitive Strengths - Robust risk management systems and processes"* on page 78.

Risk management forms an integral part of our business as we are exposed to various risks relating to the housing finance business such as a volatility of demand for housing and housing finance, availability of funding at competitive rates, asset-liability mismatches (in terms of interest rates and liquidity), amongst others. The objective of our risk management system is to measure and monitor the various risks that we are subject to, and to implement policies and procedures to address such risks. We intend to continue improving our operating processes and risk management systems that will further enhance our ability to manage our growth and the risks inherent to our business.

Accessing low cost and diversified sources of funds

We source funds for our business primarily through loans from banks, refinance from NHB and short term credit/overdraft facilities from our Promoter. In this regard, we have been assigned an "[ICRA]A+" rating by ICRA Limited on January 30, 2013 with a "stable outlook" for a term loan facility of ₹ 2,974.80 million and is valid till May 31, 2013.

We intend to explore the option of raising funds through rated debt instruments. We also plan to explore access to low cost sources of funds in order to maintain our CRAR and strengthen our balance sheet. We would like to diversify our sources of funding and tap into alternative sources such as fixed deposits, multi-lateral agencies and rated long term and short term listed debt instruments. We believe that this will enable us to reduce the risk of lender concentration and optimise our funding costs, which in turn enables us to maintain our NIM.

Maintaining low operating costs

We believe that our cost to income ratio is amongst the lowest in the housing finance industry. Our cost to income ratio was, 16.55%, 15.20%, 12.64% for Fiscal 2012, 2011, 2010, respectively and the ratio of operating expenses to outstanding loan book was 0.69%, 0.72%, 0.67%for Fiscals 2012, 2011, 2010, respectively. Our cost to income ratio was 15.38% and 14.86% for the six month period ended September 30, 2012 and 2011 respectively. The ratio of operating expenses to outstanding loan book was 0.64% and 0.66% for the six month period ended September 30, 2012 and 2011 respectively, on an annualised basis.

We believe our Company has been able to successfully operate branches in tier 2 and tier 3 cities at low costs ensuring the commercial viability of such branches. Further, our Company is continuously focused on improving efficiency and lowering operational costs, and to achieve the same we continuously monitor metrics such as outstanding loan per employee and profit per employee, amongst others.

OUR BUSINESS AND OPERATIONS

Our product offering

Our Company has a variety of home loan products that are customised to the requirements of our borrowers. Our Individual Home Loans comprise products like 'Dream Home Loan', 'Home Makeover Loan', 'Plot Loans', 'Super Loan', 'Fifty Plus Loan' and 'NRI Housing Loan' and our Loans Against Property comprise of products like 'Prosperity Loan' and 'New Horizon Loan'. All our loans are backed by a first lien on the respective underlying properties.

A brief description of the various loan products offered by our Company is detailed below:

Sr. No.	Name of Loan Product	Product Details
Individual Home Loans		
1.	Dream Home Loan	Loans for construction or purchase of a property.
2.	Home Makeover Loan	Loans for repairs, renovation, and/or extension of a property.
3.	Plot Loans	Loans for outright purchase of plots for the construction of a house.
4.	Super Loan	Loans for construction (including extensions and additions to existing property) on land owned by borrower's parents.
5.	Fifty Plus Loan	Loans to persons above 50 years where loan repayments and disbursements are structured around the retirement/pension income stream of the borrowers.

Sr. No.	Name of Loan Product	Product Details
6.	NRI Housing Loan	Loans to non resident Indians for the construction and purchase of houses in India.
Loans Against Property		
1.	Prosperity Loan	Loans against mortgage of immovable property for such purposes as may be desired by the borrower.
2.	New Horizon Loan	Loans for purchase and/or construction of non-residential and commercial property.

In addition to the above, our Company intends to offer customized loans to senior citizens in select projects on a pilot basis.

Loan book profile and composition

Our Company has been able to grow its outstanding loan book at a CAGR of 41.07% from March 31, 2010 to March 31, 2012. The following table provides a break-up of the loans sanctioned and disbursed during the six month period ending September 30, 2012, September 30, 2011, Fiscal 2012, 2011 and 2010 and outstanding loans as at September 30, 2012, September 30, 2011, March 31, 2012, 2011 and 2010:

(in ₹ million)

Sr.No.	Particulars	Six month period ended September 30, 2012	Six month period ended September 30, 2011	Fiscal 2012	Fiscal 2011	Fiscal 2010
(1)	Loans Sanctioned	5,669.10	5,553.16	11,115.60	9,981.31	6,490.58
(2)	Loans Disbursed	4,958.90	4,974.02	10,423.40	9,155.86	5,830.90
(3)	Outstanding Loans at the end of period	30,978.04	24,286.95	28,021.55	20,735.22	14,080.12

As at September 30, 2012 and as at March 31, 2012, 2011 and 2010, the Individual Home Loans outstanding were ₹ 26,633.80 million, ₹ 24,107.51 million, ₹ 17,642.10 million and ₹ 11,805.13 million, respectively, and constituted 85.98%, 86.03%, 85.08%, 83.84% and of the loan book as at September 30, 2012, March 31, 2012, 2011 and 2010, respectively. Loans Against Property constituted the balance 14.02%, 13.97%, 14.92% and 16.16% of the outstanding loan book as at September 30, 2012 and as at March 31, 2012, 2011 and 2010, respectively.

As of September 30, 2012, all our outstanding loans are on a floating rate of interest. Our NIM for six month period ending September 30, 2012, Fiscals 2012, 2011 and 2010 was 3.82%, 4.20%, 4.85% and 5.26%, respectively, and our spread for six month period ending September 30, 2012, Fiscals 2012, 2011 and 2010 were 2.88%, 3.24%, 3.99% and 4.40%, respectively.

Our Company is consciously targeting markets that are relatively underpenetrated. The key target markets of our Company are tier 2, tier 3 cities and the peripheral areas of tier 1 cities. We believe that our Company has also been able to operate branches in tier 2 and tier 3 cities in an efficient and commercially viable manner. We believe that sustained growth in the Indian economy will result in urbanization and significant development in tier 2 and tier 3 cities, resulting in an increase in disposable incomes and affluence, and thereby making tier 2 and tier 3 cities attractive markets. Given that of our total network of 92 branches and satellite centres as of December 31, 2012, our Company has 77 branches and satellite centres in tier 2 cities, tier 3 cities and the peripheries of tier 1 cities, our Company is well-positioned to benefit from this trend.

Our Company has also ensured it is not overly reliant on the salaried class which we believe to be a highly competitive market segment. The Company has since inception taken a balanced approach towards salaried and non-salaried class and tailored a personal evaluation processes towards credit appraisal for the non-salaried class. As a result, the non-salaried class is the largest customer segment for our Company and constituted 52.71% of our outstanding loan book as at September 30, 2012.

Our Company has contributed to the Golden Jubilee Rural Housing Finance Scheme of the NHB. This scheme provides institutional finance for affordable housing in rural and semi-urban areas.

We have, in the past, financed several affordable housing schemes such as residential houses for workers at engineering units in Yelahanka, Karnataka and for industrial workers at Karur, Tamil Nadu. The total number of affordable housing loans disbursed were Nil, Nil, 3,628 and 2,527, respectively, for the six month period ended September 30, 2012 and for Fiscals 2012, 2011 and 2010 and the corresponding amount disbursed during six month period ended September 30, 2012 was Nil and for each of the said fiscals was Nil, ₹ 2,838.4 million and ₹ 1,735.8 million, respectively.

The following table provides certain details on the break-up of outstanding loans with respect to the customer profile and the average loan size:

(in ₹ million except percentages)

Sr. No.	Particulars	As at September 30, 2012	As at September 30, 2011	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
1.	Loans outstanding to non-salaried borrowers	16,328.61	13,130.03	14,990.19	11,416.58	7,868.05
2.	Loans outstanding to non-salaried borrowers as a percentage of our total loans outstanding	52.71%	54.06%	53.50%	55.06%	55.88%
3.	Number of loans disbursed below ₹ 2 million as a percentage of total number of loans disbursed	90.85%	92.67%	89.69%	90.51%	91.14%
4.	Loans outstanding where each loan is below ₹ 2 million	19,846.69	16,340.33	19,647.01	14,757.54	10,328.62
5.	Loans outstanding where each loan is below ₹ 2 million as a percentage of our total loans outstanding	64.06%	67.22%	70.12%	71.17%	73.36%

Marketing and loan origination

Our marketing strategy is built around loan camps, local advertising and marketing, and word of mouth referrals. Each of our branches conducts loan camps once every 2-3 months within a 20-25 km radius of their location. At the loan camps, loan documents are evaluated and on the spot assessments are made of the credit worthiness of the prospective borrowers and in-principle approvals for the loans are granted.

The loan camps are conducted by our branch personnel and supported by personnel from our head office. Head office personnel not only assist in credit evaluation and but also oversee the general operation of the loan camps. The loan camps do not involve intermediaries since we believe a direct interaction reduces incidents of fraud and mis-selling in the loan appraisal process. The prospective borrowers who are granted in-principle approvals at the loan camps then approach the branch office for final approval of the loan which is sanctioned to them in accordance with our internal policies.

We advertise through local media including advertisements in regional newspapers, magazines and cable channels; hoardings at prominent locations like cinema halls, bus terminals and railway stations; and distribute pamphlets and banners periodically.

We typically do not engage marketing intermediaries. As a result, most of our borrowers are either “walk-in” borrowers or referred by existing borrowers of our Company. Our Company has recently approved the appointment of direct selling agents on a test case basis in Maharashtra, to source loan applications.

Credit appraisal

Our Company has a well established and streamlined credit appraisal process. Our Company carries out credit appraisals at two levels – one at the branch level and the other at the head office. Once the credit appraisal at the branch level is complete and such borrowers meet the basic eligibility criteria, the application is considered for initial processing at the branch office. In order to ensure uniformity in credit approval of prospective borrowers, our Company has centralised the credit approval and sanctioning functions at the head office. At every stage, an assessment is made as to whether the prospective borrower is eligible for a loan in accordance with our Company guidelines and policies. The following is a set of activities carried out at our branch offices and head office during the credit appraisal process.

- All prospective borrowers are interviewed personally by the branch manager;
- A thorough review of documents that determine the eligibility of the prospective borrower, including proof of identity, address and income (such as voter's ID, PAN card, salary certificates, bank statements, income-tax returns, audited books of accounts), is carried out by our branch personnel. Further, a CIBIL check is also performed simultaneously on the prospective borrower on their credit repayment habits;
- Once the proposed borrower meets the basic eligibility criteria, an application form containing various details including details under KYC norms is prepared and submitted by the applicant. Once this process is complete, a scrutiny of the property documents submitted by the proposed borrower is carried out at the branch office and it is mandatory for our branch personnel to visit the property, verify the data submitted by the prospective borrower and also take photographs of the property as evidence of the visit. In parallel, branch personnel also carry out a separate verification at the local sub-registrar's office of the property documents including encumbrances on the property for the last 25 years, in addition to gathering knowledge about value of property and its marketability through their interactions with other clients and local builders;
- For prospective SEP and SENP borrowers, our branch personnel visit the business and residential premises and examine the bank statements and verify the cash receipts in order to ascertain whether the business is generating sufficient income to repay the loans. Similarly, for prospective salaried borrowers, our branch personnel visit the office of the prospective borrower for verification;
- Our branch personnel obtain a technical valuation report from an independent and empanelled valuer for each property. While the valuers provide an independent assessment of the current market value, our branch personnel generally adopt a conservative approach in valuing the property. In case of houses under construction, the cost estimate given by the architect/chartered engineer is taken as the cost of project. Our Company also verifies this by using an average cost of construction per sq. ft. to decide on the eligible project cost and this is periodically revised based on input prices. Our Company uses this as a benchmark against the cost estimate submitted by the prospective borrower;
- An independent legal opinion on the title of the property is obtained from one of our empanelled lawyers. For loans greater than ₹ 1 million, approval of the chief legal manager at our head office is also obtained thereby ensuring that the scrutiny of title to the property and the valuation is done independently by the head office;
- Upon satisfactory completion of the process summarised above, our branch personnel determine the amount of loan to be granted to the prospective borrower. Key determinants of the amount of loan that can be sanctioned are the income of the borrower and the value of the property (IIR and LTV).
- Based on the above-mentioned scrutiny procedures, a loan proposal is prepared at the branch level. The loan proposal includes a loan appraisal note, evaluation summary, inspection and valuation report, credit score derived from our proprietary credit scoring chart. If the branch manager is satisfied with the loan proposal, it is transmitted electronically to the credit team at the head office via a loan origination system, with recommendations on the loan amount and the interest rate. The interest rate to be levied on the prospective borrower is based on a credit scoring chart which is based on criteria such as our Company's base rate, the applicant's income profile, capacity to repay the loan, value of the property, marketability of the property, family background, etc.
- At our head office, loan proposals are scrutinised by a credit officer (each credit officer at the head office level is focused on a certain set of branches). If the proposal meets with the required criteria, then the loan is approved by the sanctioning authority. Sanctioning powers are delegated to various authorities such as group heads, general managers, executive director/s, managing director and a committee comprising of the general manager, executive director and managing director, depending on the loan amounts;

- Pursuant to sanction of the loan by the head office, a loan sanction order with the terms of the sanction is communicated to the borrower through the respective branches and at this point the borrower is required to submit original title deeds in relation to the security. These documents are verified again by our team of empanelled lawyers; and
- Finally, the prospective borrower executes the requisite loan documents and security documents for mortgaging of the property. The title deeds deposited by the borrower are kept at a central depository maintained by us and returned to the borrowers upon satisfaction of all dues.

Loan disbursement

The loan amount is disbursed to the borrower only after the loan agreement is executed and the mortgage agreement is registered. For loans availed for construction of property, the disbursement is made in stages based on the progress of the construction. It is mandatory for our branch personnel to visit the property, verify construction progress and report the same before further disbursements are made at every stage. Prior to loan disbursement, our Company also completes other formalities such as collection of post dated cheques from borrowers in respect of the monthly instalments.

Ongoing monitoring of operations

Our Company has both formal and informal mechanisms for ongoing monitoring of the branch operations and activities, each of which are detailed below:

- *Annual inspection*: Our Company has a dedicated inspection team that visits branches and carries out inspection of records on an annual basis. All loans disbursed during the year are reviewed by the inspection team.
- *Internal audit*: Our Company gets internal audit done by external chartered accountant firms that carry out regular audits on a half yearly basis and such an internal audit typically covers 75% of our branches' business on an annual basis.
- *Head office visits*: The head office personnel periodically visit our branches, including during loan camps, and conducts an informal check on the branch operations.
- *Property inspection*: We carry out periodical inspections of the secured properties both before and after disbursements.
- *Inspection by Statutory Audit*: The Auditor of our Company also carries out an audit of strategic branches on a random basis each year to check the efficacy of the credit appraisal and lending process and other internal controls.
- *Concurrent Audit*: Officers on special duty stationed at select branches carry out verification of the loan and supporting documents, compliance with internal processes and procedures.
- *Strong co-ordination between branches and head office*: Our Company has put in place measures to ensure that there is co-ordination between our branches and our corporate office to ensure efficient monitoring of the loans disbursed by us. Some of the key interactions are: (a) monthly performance scoring of branches based on performance (both lending and recovery); (b) monthly MIS report and branch manager report; (c) half yearly and annual review meetings to assess performance and market situation; and (d) periodic departmental meetings at head office.

In addition to the above, NHB carries out annual inspections whereby it inspects our corporate office and a few branches selected on a random basis to check processes, documentation and assess compliance with the NHB Directions, 2010, regulations, guidelines and circulars.

Our Company generates several reports on a monthly, quarterly, half yearly and annual basis, and special reports if required, for management information and reporting, and these reports also form the basis of corrective action to be taken on both the lending and recovery side.

Recovery and collection

We believe that timely collection and recovery of instalments is important as this impacts our revenue recognition, provisioning requirements, has an impact on the asset quality and net profits of our Company. The quality of our assets also impacts our CRAR and ability of our Company to borrow money at competitive rates for its operations on a periodic basis.

We have a structured recovery and collections process to ensure that loans do not turn into NPAs and that loans that have turned into NPAs are recovered to the maximum extent possible. For further details, please see the section titled "*Our Business – Non-Performing Assets and Provisioning*" on page 85.

The branch disbursing loans is also responsible for recovery. NPAs impact the branch performance and scoring and ultimately the incentive payment to the branch personnel. There is a dedicated recovery team at our head office to track and monitor branch level NPAs. This team also assists the branch personnel from time to time in various collection and recovery efforts, including conducting focussed recovery camps when needed.

The key recovery and collection processes of our Company are listed below:

- Instalments are paid by way of post-dated cheques. Branches send text messages to borrowers to notify them of an impending payment so that they are able to maintain or deposit sufficient funds in the banks account to honour cheque payments. Facilities are also available to SEP and SENP customers for daily payment through daily deposit collectors of our Promoter.
- Branch personnel visit the borrower at the first instance of default to understand the reason for the default. At this stage, our Company either collects the dues or obtains a commitment letter from the borrower for timely repayment going forward. At this stage, branch personnel also inform the guarantor of the status of the account.
- In case of non-payment of dues, borrowers are reminded to repay loans through telephonic reminders.
- If the payments are still pending, personal visits are made by our branch head and other staff members to the premises and residence of borrowers. This is supplemented by periodic visits by recovery officers from our head office.
- Reminder notices are issued to the borrowers/guarantors in case of default, after which proceedings are initiated against the borrower in accordance with the provisions of the Negotiable Instruments Act, 1881.
- Chronic defaulters are proceeded against by us under the provisions of the SARFAESI Act. Under the SARFAESI Act, banks and financial institutions are authorised to seize and sell the assets secured in their favour without the long drawn and complex judicial process hitherto followed, thereby enabling speedy realization of the dues. We believe that the SARFAESI Act provides a strong and credible disincentive to the borrowers to default. Since inception till September 30, 2012, our Company has instituted a total of 465 proceedings under the SARFAESI Act, of which in 303 cases the SARFAESI Act has been implemented successfully and the pending cases are in various stages of implementation.
- We insure all Individual Home Loans with property insurance for any loss arising due to calamities such as fire and floods as well as personal accident insurance for the borrower.

Non-Performing Assets and Provisioning

We classify our loan assets in accordance with the NHB Directions, 2010. In accordance with the NHB Directions, 2010, assets are classified into the following:

- *Standard assets*: Assets in respect of which no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than the normal risks attached to the business; and
- *Non-performing assets*: Assets in respect of which interest or principal instalment has remained overdue for a period more than 90 days.

Non-performing assets are further classified into:

- *Sub-standard assets*: Assets which have been classified as non-performing asset for a period not exceeding 12 months;
- *Doubtful assets*: Assets which remain a sub-standard asset for a period exceeding 12 months;
- *Loss assets*: Assets, which have been identified as loss assets by either the company or its internal or external auditor or the NHB, to the extent they are not written-off by the company and which are adversely affected by a potential threat of non recoverability due to certain conditions (including non-availability of security, either primary or collateral, in case of secured loans and advances; erosion in value of security, either primary or

collateral, is established; fraudulent act or omission on behalf of the borrower; and defective documentation, amongst others).

The following are the provisioning requirements against non-performing assets, in accordance with the NHB Directions, 2010:

- *Sub standard assets*: A general provision of 15% of total outstanding amount;
- *Doubtful assets*: 100% provision to the extent to which the advance is not covered by the realizable value of the security. In addition, depending upon the period for which the asset has remained doubtful, provisions to the extent of 25% to 100% of the secured portion is required as follows:

Period for which the asset has been considered as doubtful	Provision required (%)
Up to one year	25%
One to three years	40%
More than three years	100%

- *Loss assets*: The entire asset shall be written-off. If the assets are permitted to remain in books for any reason, 100% of the outstanding amount should be provided for.

  NHB Directions, 2010 have been amended by notification no. NHB.HFC.DIR.3/CMD/2011 dated August 5, 2011 and notification no. NHB.HFC.DIR.4/CMD/2012 dated January 19, 2012, and this has, amongst other things, increased the provisioning requirements for HFCs. For further details, please see the section titled "*Regulations and Policies*" beginning on page 90.

Our Company also has a provisioning policy that is reviewed by our Board from time to time. The following is the current provisioning policy of our Company.

Category of Assets	Current provisioning by our Company (%)
Standard Assets (Commercial Real Estate)	1%
Standard Assets (Others)	0.4%
Sub-standard Assets	15%
Doubtful Assets (Secured)	
Up to one year	25%
One to three years	40%
More than three years	100%
Doubtful Assets (Unsecured)	100%
Loss Assets	100%

The following table sets out the gross NPAs and net NPAs and the provisions for NPAs as at September 30, 2012, September 30, 2011, March 31, 2012, 2011 and 2010:

(in ₹ million except percentages)

Particulars	As at September 30, 2012	As at September 30, 2011	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Gross NPA	656.11	428.43	383.00	251.90	174.03
Gross NPA (%)	2.12%	1.76%	1.37%	1.21%	1.24%
Net NPA	489.96	332.92	264.68	197.30	135.55
Net NPA (%)	1.60%	1.38%	0.95%	0.95%	0.97%
Provisions for NPAs	166.15	95.51	118.12	54.60	38.48

Capital adequacy and sources of funding

We are required to maintain 12% CRAR as per the NHB Directions, 2010. Our CRAR was 15.94%, 16.50%, 18.21% and 21.13% as of September 30, 2012, March 31, 2012, 2011 and 2010, respectively, and was well above the minimum levels prescribed by NHB.

Sources of funding and the cost of borrowed funds are important value drivers for our Company as they impact the competitiveness of our lending operation and also the profitability of our business. Our funding sources are primarily through term loans from banks and our Promoter, refinance from NHB and short term debt from our Promoter.

The following table provides a summary of our net worth, long term borrowings (including current maturities of long term borrowings) and short term borrowings and debt to equity ratio as at September 30, 2012, March 31, 2012, 2011 and 2010:

Particulars	As at six month period ended September 30, 2012	As at six month period ended September 30, 2011	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Net worth (₹ in million)	3,388.78	2,739.59	3,032.63	2,416.38	1,904.31
Long term borrowings (including current maturities of long term borrowings) and short term borrowings (₹ in million)	27,352.76	21,297.39	24,860.43	18,097.93	12,577.09
Debt to Equity Ratio	8.07	7.77	8.20	7.49	6.60

As of September 30, 2012, 38.92% of our existing borrowings are on a fixed interest rate and 61.08% of our borrowings are on a floating interest rate. The average tenure of our secured loans is 7.17 years.

As of December 31, 2012, our Company had lending relationships with a total of 13 banks and financial institutions. Key lenders include the NHB, Oriental Bank of Commerce, State Bank of India, HDFC Bank, Axis Bank, Corporation Bank, Canara Bank, Karur Vysya Bank, Indian Bank, Indian Overseas Bank, IDBI Bank, Syndicate Bank and our Promoter, amongst others; and all of our borrowings were secured. For further information, please see the section titled "*Financial Indebtedness*" beginning on page 157.

The following table sets forth the details of our principal funding sources as at six month periods ended September 30, 2012 and September 30, 2011 and as at March 31, 2012, 2011 and 2010:

Particulars	As at September 30, 2012		As at September 30, 2011		As at March 31, 2012		As at March 31, 2011		As at March 31, 2010	
	₹ in million	%	₹ in million	%	₹ in million	%	₹ in million	%	₹ in million	%
Loans from scheduled commercial banks	12,143.52	44.40	7,921.56	37.19	10,690.02	43.00	6,884.89	38.04	4,496.96	35.76
Refinance from NHB	12,126.37	44.33	10,507.80	49.34	11,743.00	47.24	8,749.35	48.34	7,097.33	56.43
Loans from Promoter	3,082.87	11.27	2,868.03	13.47	2,427.41	9.76	2,463.69	13.62	982.80	7.81
Total	**27,352.76**	**100.00**	**21,297.39**	**100.00**	**24,860.43**	**100.00**	**18,097.93**	**100.00**	**12,577.09**	**100.00**

We continue to evaluate our funding requirements by assessing the availability of different sources of funds and their prevailing interest rates. We consider this to be an important part of our interest rate risk management process.

We believe we have developed stable long-term relationships with our lenders, and have an established track record of timely servicing of our debts.

Internal policies

Our Company has several internal policies to ensure that the conduct of its business is smooth, uniform procedures are followed, service standards are consistent, adequate controls exist over the business and due procedures are followed by all our employees. Following is a brief description of some of the key internal policies of our Company.

Credit policy

Our Company has a detailed credit policy in place that *inter-alia* covers various products offered by our Company. The credit policy lays down detailed principles, procedures and processes in respect of various aspects of credit such as eligibility criteria for various loans, rate of interest, margin, security, disbursement, repayment, activities to be carried out after loan sanction but before disbursement, schedule of charges, follow-up and recovery, transfer of loan accounts, certificates to be submitted by branches, process of securing loan by creation of equitable mortgage, process of appraisal of loans, maintenance of various registers and the documentation process to be followed.

The credit policy is updated on a periodic basis and is made available to all employees of our Company.

Risk management policy

As a lending institution, our operations are exposed to risks that are specific to the industry within which we operate. Our goal in risk management is to ensure that we understand, measure and monitor the various risks that arise and that we adhere strictly to the policies and procedures which are established to address these risks. We have a risk management policy for identifying, measuring, monitoring, controlling and reporting various risks that may arise in the course of our business and operations, and which can affect our growth and profitability.

The risks as identified by the Board are not exhaustive and are subject to periodic review. Some of the key risks that we face in our business include competition risks, policy risks, exposure risks, funding risks, credit risks, asset liability mismatch risks and yield risks, amongst others. We do not have any exposure to foreign exchange risks as none of our borrowings are denominated in foreign currencies.

Asset Liability Management Policy

Measuring and managing liquidity needs and interest rate risk is vital in our industry. Efficient liquidity management ensures sufficient cash flow to meet all financial commitments as and when due, and to capitalise on opportunities for business expansion. Interest rate risk, if unmanaged, may adversely affect financial condition and ultimately a company's earnings by way of change in net interest income.

Towards this end, our Company has formulated an asset liability management policy in accordance with NHB's circular no. NHB (ND)/HFC (DRS-REG)/ALM/35/2010 dated October 11, 2010 ("**ALM Policy**"). The ALM Policy lays down mechanisms for assessment of various types of risks and altering the asset-liability portfolio in a dynamic way in order to manage such risks. Our Company also has an ALCO, a strategic decision making body constituted by our Board, which comprises our managing director, executive director, general manager-credit and deputy general manager-accounts of our Company.

The ALCO is responsible for integrated balance sheet management from a risk/return perspective including the strategic management of interest rate and liquidity risks. ALCO meetings are held every quarter wherein deliberations are made including detailed analyses of our liquidity position, interest rate risk, asset and liability mix, interest rate outlook, and the results of and progress in implementation of the decisions made in the previous meeting. ALCO also considers issues such as pricing of loans offered by the Company, the desired maturity profile and mix of the incremental assets and liabilities, the prevailing interest rates offered by peers for similar services/products, etc.

Provisioning Policy

Our Company follows a provisioning policy as stipulated by the NHB. For further details, please see the section titled "*Our Business - Non - Performing Assets and Provisioning*" on page 85.

EMPLOYEES

As of December 31, 2012, we had a full-time staff of 377 personnel of which 316 personnel are employed at the branch level and 61 personnel are employed at the corporate office. Our Company had 350, 231 and 194 full time employees for Fiscals 2012, 2011 and 2010, respectively.

TRAINING

Our employees are trained in various spheres of housing finance operations such as providing assistance in filling loan applications, credit appraisal, assistance in execution of loan documents, property valuation, detection and prevention of frauds and loan servicing. Our Promoter has a staff training college in Chennai which is also utilised by our Company to provide training to our employees. Periodic training on property valuation is provided by expert valuers, branch managers and staff involved in the loan appraisal process. Each of our employees attend at least one training course in a year. Several of our employees also attend training programmes which are organised by NHB from time to time.

COMPETITION

The housing finance industry in India is highly competitive. Depending on the Housing Development Finance Corporation Limited, LIC Housing Finance Limited, Dewan Housing Finance Corporation Limited, Sundaram BNP Paribas Home Finance Limited and GRUH Finance Limited.

INTELLECTUAL PROPERTY

Our trademark "Repco Home Finance" is registered in the name of our Company. For further information, please see the section titled "*Government and Other Approvals*" beginning on page 180.

INSURANCE

We insure all Individual Home Loans with property insurance for any loss arising due to calamities such as fire and floods as well as personal accident insurance for the borrower.

Our Directors are covered by way of a directors' & officers' liability insurance availed by us. Further, we believe that the properties which are owned by us are adequately insured. Also, our Company has availed of a money-in-transit insurance.

PROPERTY

Our registered office is located at Repco Tower, No. 33, North Usman Road, T. Nagar, Chennai 600 017, and the premises is owned by our Promoter and leased to us. Our corporate office is located at Karumuttu Centre, Second Floor - North Wing, Old No.: 498, New No.: 634 Anna Salai, Nandanam, Chennai 600 035 and the premises is leased to us by a third party.

For our branches and satellite centres, we usually enter into short term (typically 3 years) lease or leave and license agreements. As of September 30, 2012, two of our branches situated at Adayar and Vyasarpadi are located in premises owned by our Promoter, and two of our branches located at Ashok Nagar, Chennai, and MG Road, Bangalore are owned by us. All our other branches and satellite centres are located in leased properties.

REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. Taxation statutes such as the IT Act and applicable local sales tax statutes, and other miscellaneous regulations and statutes apply to us as they do to any other Indian company. The statements below are based on the current provisions of the Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

We are registered as a HFC with the NHB and are engaged in the business of financing the construction and purchase of residential and commercial properties, including repairs and renovations and loans against properties.

The major regulations governing our Company are detailed below:

The National Housing Bank Act, 1987

The National Housing Bank Act, 1987 (the "**NHB Act**"), was enacted to establish NHB to operate as a principal agency to promote HFCs both at the local and regional levels and to provide financial and other support to such institutions for matters connected therewith or incidental thereto. The business of the NHB, among others, includes promoting, establishing, supporting or aiding in the promotion, establishment and for housing activities of HFCs, scheduled banks, state co-operative agricultural and rural development banks or any other institution or class of institutions as may be notified by the Central Government; making loans and advances or other forms of financial assistance to; guaranteeing the financial obligations of HFCs and underwriting the issue of stocks, shares, debentures and other securities of HFCs; formulating one or more schemes for the purpose of mobilisation of resources and extension of credit for housing; providing guidelines to the HFCs to ensure their growth on sound lines; providing technical and administrative assistance to HFCs and exercising all powers and functions in the performance of duties entrusted to the NHB under the NHB Act or under any other law for the time being in force.

Under the NHB Act, every HFC is required to obtain a certificate of registration and meet the requirement of net owned funds of ₹ 100 million or such other higher amount as the NHB may specify for commencing or carrying on the business of HFCs. As per the notification issued by NHB dated July 23, 2011, the minimum net owned funds required to be achieved by an HFC which is a company and carries on the business of HFC is; (i) ₹ 40 million by June 30, 2012, (ii) ₹ 70 million by June 30, 2013, and (iii) ₹ 100 million by March 31, 2014. Further, every HFC is required to invest and continue to invest in India in unencumbered approved securities, an amount which, at the close of business on any day, is not less than 5% (or such higher percentage as the NHB may specify, not exceeding 25%), of the deposits outstanding at the close of business on the last working day of the second preceding quarter.

Additionally, every HFC is required to maintain in India an account with a scheduled bank in term deposits or certificate of deposits (free of charge or lien) or in deposits with the NHB or by way of subscription to the bonds issued by the NHB, or partly in such account or in such deposit or partly by way of such subscription, a sum which, at the close of business on any day, together with the investment as specified above, shall not be less than 10% (or such higher percentage as the NHB may specify, not exceeding 25%), of the deposits outstanding in the books of the HFC at the close of business on the last working day of the second preceding quarter. Pursuant to the NHB Act, every HFC is also required to create a reserve fund and transfer therein a sum not less than 20% of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

Under the terms of the NHB Act the NHB has the power to direct deposit accepting HFCs to furnish such statements, information or particulars relating to deposits received by the HFC, as may be specified by the NHB. The NHB may cause an inspection to be made of any deposit accepting HFCs, for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the NHB or for the purpose of obtaining any information or particulars which the HFC has failed to furnish on being called upon to do so. If any HFC accepting deposits fails to comply with any direction given by the NHB, the NHB may prohibit the acceptance of deposits by that HFC.

The Recovery of Debts due to Banks and Financial Institutions Act, 1993

The Recovery of Debts due to Banks and Financial Institutions Act, 1993 (the "**DRT Act**") provides for establishment of the Debts Recovery Tribunals (the "**DRTs**") for expeditious adjudication and recovery of debts due to banks and public financial institutions or to a consortium of banks and public financial institutions. Under the DRT Act, the procedures for recovery of debt have been simplified and time frames have been fixed for speedy disposal of cases. The DRT Act lays down the rules for establishment of DRTs, procedure for making application to the DRTs, powers of the DRTs and modes of recovery of debts determined by DRTs. These include attachment and sale of movable and immovable property of the defendant, arrest of the defendant and his detention in prison and appointment of receiver for management of the movable or immovable properties of the defendant.

The DRT Act also provides that a bank or public financial institution having a claim to recover its debt, may join an ongoing proceeding filed by some other bank or public financial institution, against its debtor, at any stage of the proceedings before the final order is passed, by making an application to the DRT.

The Housing Finance Companies (National Housing Bank) Directions, 2010, as amended

The objective of the NHB Directions, 2010 is to consolidate and issue directions in relation to the acceptance of deposits by the housing finance institutions. Additionally, the NHB Directions, 2010 provide the prudential norms for income recognition, accounting standards, asset classification, provision for bad and doubtful assets, capital adequacy and concentration of credit/investment to be observed by the housing finance institutions and the matters to be included in the auditors' report by the auditors of housing finance institutions.

Pursuant to the NHB Directions, 2010 no HFC shall accept or renew public deposits unless the HFC has obtained minimum investment grade rating for its fixed deposits from any one of the approved rating agencies, at least once a year and a copy of the rating is sent to the NHB and it is complying with all the prudential norms, provided that:

(i) an HFC having obtained credit rating for its fixed deposits not below the minimum investment grade rating as above and complying with all the prudential norms, may accept public deposits not exceeding five times of its net owned funds; and

(ii) an HFC which does not have the requisite rating for its fixed deposits shall obtain the same within a period of six months time from the date of notification or such extended period as may be permitted by the NHB, to obtain the prescribed rating for its fixed deposits.

Under the NHB Directions, 2010, no housing finance institution shall have deposits inclusive of public deposits, the aggregate amount of which, together with the amounts, if any, held by it which are referred in the Reserve Bank of India Act, 1934, and loans or other assistance from the NHB, is in excess of sixteen times of its net owned funds. In addition, no housing finance institution shall accept or renew any public deposit which is (a) repayable on demand or on notice; or (b) unless such deposit is repayable after a period of 12 months or more but not later than 84 months from the date of acceptance or renewal of such deposits. On and from July 6, 2007 no HFC shall invite or accept or renew any public deposit at a rate of interest exceeding 12.5% per annum, such interest being payable or compounded at rests which should not be shorter than monthly rests. On and from September 20, 2003, no HFC shall invite or accept or renew repatriable deposits from non-resident Indians in terms of Notification No. FEMA.5/2000-RB dated May 3, 2000 under Non-Resident (External) Account Scheme at a rate exceeding the rates specified by the RBI for such deposits with scheduled commercial banks.

An HFC which has failed to repay any public deposit or part thereof in accordance with the terms of conditions of such deposit, is not permitted to grant any loan or other credit facility by whatever name called or make any investment or create any other asset as long as the default exists.

In accordance with the prudential norms mentioned in the NHB Directions, 2010, income recognition shall be based on recognised accounting policies. Every housing finance institution 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 certain specified classes, viz. standard assets, sub-standard assets, doubtful assets and loss assets. Thereafter, every housing finance institution, after taking into account the time lag between an account becoming non-performing, its recognition as such, the realisation of the security and the erosion over time in the value of security charged, is required to make provision against sub-standard assets, doubtful assets and loss assets as provided under the NHB Directions, 2010.

The NHB has amended the provisioning norms in the NHB Directions, 2010 pursuant to the notification no. NHB.HFC.DIR.3/CMD/2011 dated August 5, 2011 as further amended by NHB *vide* notification no. NHB.HFC.DIR.4/CMD/2012 dated January 19, 2012. The provisioning requirement in respect of loans, advances and other credit facilities including bills purchased and discounted are required to be

a) loss assets - the entire assets are required to be written off. If assets are permitted to remain in the books for any reason, then 100% of the outstanding should be provided for;

b) doubtful assets - 100% provision to the extent to which the advance is not covered by the realisable value of the security to which a HFC has a valid recourse shall be made and in addition, depending upon the period for which the asset has remained doubtful provision to the extent of 25% to 100% of the secured portion i.e. the estimated realisable value of the outstandings shall be made in the following manner: i) 25% up to the period of one year; ii) 40% for the period of one year to three years and iii) 100% for the period more than three years,

c) sub standard assets - provisions of 15% of the total outstanding,

d) standard assets: (i) standard assets with respect to housing loans at teaser/special rates - provision of 2% on the total outstanding amount of such loans and the provisioning of these loans to be re-set after one year at the applicable rates from the date on which the rates are re-set at higher rates if the accounts remain standard; (ii) standard assets in respect of commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction etc.) – provision of 1% on the total outstanding amount of such loans; and (iii) standard assets in respect of all loans other than (i) and (ii) - a general provision of 0.4% of the total outstanding amount of loans which are standard assets is required to be made.

No HFC shall (i) grant housing loans upto Rs 20 lakhs to individuals with LTV ratio exceeding 90% and (ii) grant all other housing loans above Rs 20 lakh to individuals with LTV exceeding 80%

Every HFC shall maintain a minimum capital ratio consisting of Tier I and Tier II capital which shall not be less than (i) 10% on or before March 31, 2001 and 12% on or before March 31, 2002 and thereafter of its aggregate risk weighted assets and of risk adjusted value of off-balance sheet items.

Under the NHB Directions, 2010, degrees of credit risk expressed as percentage weighting have been assigned to balance sheet assets. Hence, the face value of each asset is multiplied by the relevant risk weights to arrive at its risk adjusted value of the asset. The aggregate shall be taken in to account for calculating the minimum capital adequacy ratio of a housing finance institution. This shall have to be again multiplied by the risk weight of 100.

Further, in terms of the NHB Directions, 2010, no HFC shall invest in land or buildings, except for its own use, an amount exceeding 20% of its capital fund (aggregate of tier-I capital and tier-II capital). Such investment over and above 10% of its owned funds is required to be made only in residential units. Additionally, no housing finance institution shall lend to any single borrower an amount exceeding 15% of its owned funds, and to any single group of borrowers exceeding 25% of its owned funds. A housing finance institution is not allowed to invest in the shares of another company an amount exceeding 15% of its owned funds; and in the shares of a single group of companies an amount exceeding 25% of its owned funds. A housing finance institution shall not lend and invest (loans/investments together) amounts exceeding 25% of its owned funds to a single party and 40% of its owned funds to a single group of parties. Additionally, an HFC is not allowed to lend against its own shares and any outstanding loan granted by a housing finance institution against its own shares on the date of commencement of the NHB Directions, 2010 shall be recovered by the housing finance institution in accordance with the repayment schedule.

The NHB Directions, 2010 provide for exposure limits for housing finance institutions to the capital market. Pursuant to the NHB Directions, 2010, the aggregate exposure of an HFC to the capital market in all forms should not exceed 40% of its net worth as on March 31 of the previous year. Within this overall ceiling, direct investment in shares, convertible bonds, debentures, units of equity-oriented mutual funds and all exposures to venture capital funds should not exceed 20% of its net worth.

The NHB *vide* circular NHB(ND)/DRS/POL-No. 36/2010 dated October 18, 2010 has directed all HFCs to not charge any prepayment levy or penalty on pre-closure of housing loans by the borrowers out of their own sources. Further, NHB, *vide* circular NHB(ND)/DRS/POL-No. 43/2011-2012 dated October 19, 2011 has directed all HFCs to discontinue the pre-payment levy or penalty on pre-closure of housing loans when (i) the housing loan is on floating rate basis and pre-closed by the borrower from funds received from any source and (ii) the housing loan is on fixed rate basis if pre-closed by the borrowers from their "own sources" which means any source other than by borrowing from a bank, HFC, NBFC and/or a financial institution. It has been clarified *vide* circular NHB(ND)/DRS/Pol-No.48/2011-12 dated April 4, 2012 that the instruction applicable to fixed interest rate housing loans referred to in the circular dated October 19, 2011 will be applicable to such loans which carry fixed rate of interest at the time of origination. Further, it has been directed *vide* circular NHB(ND)/DRS/Pol-No.51/2012-13 dated August 7, 2012 that all dual/special rate (combination of fixed and floating) housing loans will attract the pre-closure norms applicable to fixed/floating rate depending on whether at the time of pre-closure, the loan is on fixed or floating rate. A fixed rate loan shall be considered to be a loan where the rate is fixed for entire duration of the loan. Thus, in the case of a dual/special rate housing loans, the pre-closure norm for floating rate will be applicable once the loan has been converted into floating rate loan, after the expiry of the fixed interest rate period. This shall be applicable to all such dual/special rate housing loans being foreclosed hereafter.

The NHB *vide* circular NHB(ND)/DRS/POL-No. 44/2011-2012 dated October 19, 2011 has directed all HFCs to apply uniform rates of interest to all the borrowers (existing and new), who have the same credit/risk profile and have availed the housing loans on a floating rate basis. The NHB, *vide* circular NHB(ND)/DRS/Pol-No. 46/2011-12 dated February 23, 2012, has clarified that the requirement for uniform rates of interest as set out in the NHB circular dated October 19, 2011 is mandatory and applicable to all housing loans on a floating rate basis to all individual borrowers who have availed housing loans on a floating rate basis from February 23, 2012, and who have the same credit/risk profile The credit/risk profiling of the individual housing loan borrowers should be completed by HFCs by April 30, 2012. The circular dated October 19, 2011 will not apply to the special housing loan schemes offered by HFCs on certain occasion for the limited period for which the said rate is applicable. Subsequently, the NHB has issued a circular NHB(ND)/DRS/POL-No. 48/2011-2012 dated April 4, 2012 which provides that the circular dated October 19, 2011 is also applicable to the housing loans given on special rate basis under different names and carrying certain fixed rate of interest in the initial period of the loan followed by floating rate of interest.

The Prevention of Money Laundering Act, 2002

The Prevention of Money Laundering Act, 2002 (the "**PMLA**") was enacted to prevent money laundering and to provide for confiscation of property derived from, and involved in, money laundering. In terms of the PMLA, every financial institution, including housing finance institutions, is required to maintain record of all transactions including the value and nature of such transactions, furnish information of such transactions to the director defined under PMLA and verify and maintain the records of the identity of all its clients, in such a manner as may be prescribed. The PMLA also provides for power of summons, searches and seizures to the authorities under the PMLA. In terms of PMLA, whosoever directly or indirectly attempts to indulge or knowingly assists or knowingly is a party or is actually involved in any process or activity connected with the proceeds of crime and projecting it as untainted property shall be guilty of offence of money laundering. The NHB *vide* circular NHB(ND)/DRS/POL-No.13/2006 dated April 10, 2006 had introduced anti-money laundering measures wherein the HFCs were advised *inter-alia* the customer identification procedure, maintenance of records of transactions and period of preservation of such record keeping in view of the provisions of PMLA. Further, the aforesaid circular introducing anti-money laundering measures were reviewed and revised vide circular NHB(ND)/DRS/POL-No.33/2010-11 dated October 11, 2010 in light of amendments in the PMLA and the rules framed there under. The time period for maintenance of the records has been amended pursuant to the notification issued by NHB dated March 16, 2010 ("**2010 Notification**"). Further the 2010 Notification requires the HFC to verify identity of non account based customer while carrying out transaction of an amount equal to or exceeding ₹ 50,000.

SARFAESI Act

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 an 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 an NPA and at least 75% by the value of the banks and financial institutions in the consortium or multiple banking arrangement agree to the sale. These assets are to be sold on a "without recourse" basis only. The SARFAESI Act provides for the acquisition of financial assets by securitisation company or reconstruction company from any bank or financial institution on such terms and conditions as may be agreed upon between them. A securitization company or reconstruction company having regard to the guidelines framed by the RBI may, for the purposes of asset reconstruction, provide for measures such as the proper management of the business of the borrower by change in or takeover of the management of the business of the borrower, the sale or lease of a part or whole of the business of the borrower and certain other measures such as rescheduling of payment of debts payable by the borrower; enforcement of security.

Additionally, under the provisions of the SARFAESI Act, any securitisation 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.

The Government of India, *vide* notification No.S.O.1282(E) dated November 10, 2003, in exercise of the powers conferred under sub-clause (iv) of clause (m) of sub-section (1) of section 2 of the SARFAESI Act, has specified certain HFCs (including the Company), which can enforce security interest as per the SARFAESI Act.

Refinance Scheme for Housing Finance Companies, 2003

Pursuant to Refinance Scheme for Housing Finance Companies, 2003 ("**Refinance Scheme**"), as amended *vide* circular NHB(ND)/ROD/HFC/LRS/17/2004 dated April 15, 2005, HFCs registered with the NHB are eligible to obtain refinance from the NHB in respect of their direct lending up to ₹ 5 million to individuals for the purchase, construction, repair and upgrade of housing units.

In addition, the HFCs are required to provide long term finance for purchase, construction, repair and upgrading of dwelling units by home-seekers. The HFCs are also required to have specific levels of capital employed and net owned funds to be eligible to avail refinance facilities under the Refinance Scheme. The financial assistance can be drawn by HFCs in respect of loans already advanced by them and also for prospective disbursements. The security for refinance from the NHB may generally be secured by a charge on the book debts of a HFC. If at any time the NHB is of the opinion that the security provided by the HFC has become inadequate to cover the outstanding refinance, it may advise the HFC to furnish such additional security including, *inter-alia*, charges on immovable/moveable property or a requisite guarantee.

Master Circular on Housing Finance issued by the Reserve Bank of India

Pursuant to the Master Circular on Housing Finance dated July 2, 2012, as amended issued by the Reserve Bank of India ("**Master Circular**"), banks are eligible to deploy their funds under the housing finance allocation in any of three categories, *i.e.* (i) direct finance; (ii) indirect finance; or (iii) investment in bonds of the NHB/Housing and Urban Development Corporation Limited, or combination thereof. Indirect finance includes loans to HFCs, housing boards, other public housing agencies, etc., primarily for augmenting the supply of serviced land and constructed units.

Under the terms of the Master Circular, banks may grant loans to HFCs taking in to account (long-term) debt-equity ratio, track record, recovery performance and other relevant factors. All HFCs registered with NHB are eligible to apply for refinance from NHB and will be eligible subject to the refinance policy. The quantum of term loan to be sanctioned to them will not be linked to net owned funds as NHB has already prescribed the above referred ceiling on total borrowing of HFCs.

Priority sector lending

Pursuant to a RBI circular dated July 20, 2012 and October 17, 2012, loans granted by banks to HFCs, approved by the NHB for the purpose of refinance, for on-lending for purchase/construction/recontruction of individual dwelling units or for slum clearance and rehabilitation of slum dwellers, subject to an aggregate loan imit of Rs 10 lakh per borrower would be classified under priority sector, provided that all inclusive interest rate charged to the ultimate borrower is not exceeding the lowest lending rate of the lending bank for housing loans plus 2% p.a.. However, the eligibility under this measure is restricted to 5% of the individual bank's total priority sector lending, on an ongoing basis. The maturity of bank loans should be co-terminus with average maturity of loans extended by HFCs. Banks should maintain necessary borrower-wise details of the underlying portfolio.

Guidelines for Asset Liability Management System for HFCs vide circular NHB/ND/DRS/Pol-No. 35/2010-11 dated October 11, 2010

The guidelines for introduction of asset liability management system by HFCs was issued by NHB *vide* circular NHB(ND)/HFC(DRS-REG)/ALM/1407/2002 dated June 28, 2002 ("**ALM Guidelines**"). NHB has since revised the guidelines. The revised guidelines would be applicable to all HFCs irrespective of whether they are accepting/holding public deposits or not. The ALM Guidelines for HFCs lays down broad guidelines for HFCs in respect of systems for management of liquidity and interest rate risks. The ALM Guidelines provide that the board of directors of an HFC should have overall responsibility for management of risks and should decide the risk management policy and set limits for liquidity, interest rate, exchange rate and equity price risks. Additionally, an asset-liability committee is required to be constituted consisting of the HFC's senior management including the chief executive officer for ensuring adherence to the limits set by the board as well as for deciding the business strategy of the HFC (on the assets and liabilities sides) in line with the HFC's budget and decided risk management objectives. Asset-liability management support groups to be constituted of operating staff are required to be responsible for analysing, monitoring and reporting the risk profiles to the asset-liability committee.

The ALM Guidelines also recommended classification of various components of assets and liabilities into different time buckets for preparation of gap reports (liquidity and interest rate sensitive). The gap is the difference between rate sensitive assets and rate sensitive liabilities for each time bucket. In accordance with the ALM Guidelines, HFCs which are better equipped to reasonably estimate the behavioural pattern of various components of assets and liabilities on the basis of past data/empirical studies could classify them in the appropriate time buckets, subject to approval by the asset-liability committee/board of the HFC.

Guidelines on Fair Practices Code for HFCs

The Guidelines on Fair Practices Code for HFCs ("**Fair Practices Code**") were issued by the NHB *vide* circular NHB(ND)/DRS/POL-No-16/2006 dated September 5, 2006 and were revised by NHB *vide* circular NHB/ND/DRS/Pol-No. 34/2010-11 dated October 11, 2010 and as further amended *vide* circular NHB (ND)/DRS/Pol. No. 38/2010-11, dated April 25, 2011, to bring more clarity & transparency and to cover all aspects of loan sanctioning, disbursal and repayment issues. The Fair Practices Code seeks to promote good and fair practices by setting minimum standards in dealing with customers, increase transparency, encourage market forces, promote fair and cordial relationship between customer and HFCs and foster confidence in the housing finance system.

The Fair Practices Code provides for provisions in relation to providing regular and appropriate updates to the customer, prompt resolution of grievances and confidentiality of customer information. Further, the HFCs are required to disclose information on interest rates, common fees and charges through notices etc. HFCs are required to ensure that all advertising and promotional material is clear and not misleading and that privacy and confidentiality of the customers' information is maintained. Further, whenever loans are given, HFCs should explain to the customer the repayment process by way of amount, tenure and periodicity of repayment. However if the customer does not adhere to repayment schedule, a defined process in accordance with the laws of the land shall be followed for recovery of dues. The process will involve reminding the customer by sending him/her notice or by making personal visits and/or repossession of security, if any.

Guidelines for Recovery Agents Engaged by HFCs

The Guidelines for Recovery Agents Engaged by HFCs ("**Recovery Agents Guidelines**") were issued on July 14, 2008 by the NHB in relation to the practices and procedures regarding the engagement of recovery agents by the HFCs. In terms of the Recovery Agents Guidelines, HFCs are required to have a due diligence process in place for engagement of recovery agents, which should cover *inter-alia*, individuals involved in the recovery process. HFCs are required to ensure that the agents engaged by them in the recovery process carry out verification of the antecedents of their employees and HFCs may decide the periodicity at which re-verification should be resorted to. HFCs are required to ensure that the recovery agents are properly trained to handle with care and sensitivity their responsibilities, in particular, aspects like hours of calling and privacy of customer information, among others. HFCs are also required to inform the borrower of the details of recovery agency firms/companies while forwarding default cases to the recovery agency.

Under the Recovery Agents Guidelines, any person authorised to represent an HFC in collection and/or security repossession should follow guidelines which includes *inter-alia* contacting the customer ordinarily at the place of his/her choice; interaction with the customer in a civil manner and assistance to resolve disputes or differences regarding dues in a mutually acceptable and orderly manner. Each HFC should have a mechanism whereby the borrower's grievances with regard to the recovery process can be addressed. The details of the mechanism should also be furnished to the borrower. HFCs have been advised to constitute a grievance redressal machinery within the company and give wide publicity about it through electronic and print media.

HFCs are required to, at least on an annual basis, review the financial and operational condition of the service providers to assess their ability to continue to meet their outsourcing obligations. Such due diligence reviews, which can be based on all available information about the service provider should highlight any deterioration or breach in performance standards, confidentiality and security, and in business continuity preparedness.

Know Your Customer Guidelines

The KYC Guidelines issued by NHB on October 11, 2010 mandate the KYC policies and anti money laundering measures for HFC to have certain key elements, including *inter-alia* a customer acceptance policy, customer identification procedures, monitoring of transactions and risk management, adherence to NHB KYC Guidelines and the exercise of due diligence by the NBFC, including its brokers and agents.

Norms for excessive interest rates

The NHB notification has advised all HFCs to revisit internal policies in determining interest rates and fee and other charges. According to this advice, the board of each HFC is required to revisit its policies on interest rate determination, fees and other charges, including margins and risk premiums charged to different categories of borrowers and approve the same. HFCs are advised to put in place an internal mechanism to monitor the process and operations in relation to disclosure of interest rates and charges in view of the guidelines indicated in the Fair Practices Code, to ensure transparency in communications with borrowers.

Foreign Investment in HFCs

Foreign Investment in India is governed primarily by the provisions of the FEMA and the rules, regulations and notifications there-under, read with the presently applicable Consolidated FDI Policy, dated April 10, 2012 ("**Consolidated FDI Policy**") (provisions of the Circular 1 of 2012) issued by the Department of Industrial Policy and Promotion from time to time. As per the provisions of the Consolidated FDI Policy, 100% FDI under the automatic route is permitted for investment in the Non-Banking Finance Companies, which includes HFCs, subject to the following conditions:

1. Minimum Capitalization:

    i. For FDI up to 51% - US$ 0.5 million to be brought upfront
    ii. For FDI above 51% and up to 75% - US$ 5 million to be brought upfront
    iii. For FDI above 75% and up to 100% - US$ 50 million out of which US$ 7.5 million to be brought upfront and the balance in 24 months.

2. Foreign investors can set up 100% step down subsidiaries for specific NBFC activities, , subject to bringing in US$ 50 million without any restriction on number of operating subsidiaries and without bringing in additional

capital.

3. Joint venture operating NBFCs that have 75% or less than 75% foreign investment will also be allowed to set up subsidiaries for undertaking other NBFC activities, subject to the subsidiaries also complying with the applicable minimum capitalization norms mentioned above.

4. Compliance with guidelines of the relevant regulator is required in this regard.

5. The minimum capitalization norms would apply where the foreign holding in the NBFC (both direct and indirect) exceeds the limits indicated above.

Where FDI is allowed on an automatic basis without FIPB approval, the RBI would continue to be the primary agency for the purposes of monitoring and regulating foreign investment. In cases where FIPB approval is obtained, no approval of the RBI is required except with respect to fixing the issuance price, although a declaration in the prescribed form, detailing the foreign investment, must be filed with the RBI once the foreign investment is made in the Indian company. The foregoing description applies only to an issuance of shares by, and not to a transfer of shares of, Indian companies. Every Indian company issuing shares or convertible debentures in accordance with the RBI regulations is required to submit a report to the RBI within 30 days of receipt of the consideration and another report within 30 days from the date of issue of the shares to the non-resident purchaser.

FII Regulations and Portfolio Investment Scheme of RBI

FIIs including institutions such as pension funds, investment trusts, asset management companies, nominee companies and incorporated/institutional portfolio managers, are allowed to make portfolio investments in all securities of listed and unlisted companies in India. Investments by registered FIIs or non-resident Indians made through a stock exchange and complying with certain other specified criteria under the FEMA Regulations are known as portfolio investments. FIIs wishing to invest and trade in Indian securities in India under the portfolio investment route are required to register with the SEBI under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations 1995 ("**FII Regulations**"). FIIs may also invest in securities of Indian companies pursuant to the FDI route discussed above. FIIs that are registered with SEBI are required to comply with the provisions of the FII Regulations. A registered FII may buy, subject to certain ownership restrictions, and sell freely securities issued by any Indian company (excluding companies in certain sectors). The total holding of each FII/SEBI approved sub-account shall not exceed 10% of the total paid-up capital of an Indian company. The 10% limit would include shares held by SEBI registered FII/SEBI approved sub accounts of FII under the portfolio investment scheme is by way of purchases made through a registered broker on a recognised stock exchange in India or by way of offer/private placement as well as shares acquired by FII under the FDI scheme. However, the total holdings of all FII/sub-accounts of FIIs aggregated shall not exceed 24% of the paid-up capital or paid-up value of each series of convertible debentures. In case of foreign corporates or High Net worth Individuals registered as sub accounts of an FII, their investment shall be restricted to 5% of the paid-up capital of the Indian company. All FIIs and their sub-accounts taken together cannot acquire more than 24% of the paid-up capital of an Indian Company. The threshold of 24% can be increased to the sectoral cap or statutory limit applicable to the Indian company concerned by resolution of such company's board of directors followed by the passing of a special resolution by the shareholders of such company and subject to prior approval from the RBI. The Indian company has to intimate the raising of the FII limit to the RBI to enable the Bank to notify the same on its website for larger public dissemination.

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, termination of services and safety measures and wages for overtime work.

Payment of Gratuity Act, 1972

Under the Payment of Gratuity Act, 1972, as amended (the "**Gratuity Act**"), an employee who has been in continuous service for a period of 5 years will be eligible for gratuity upon his resignation, retirement, superannuation, death or disablement due to accident or disease, provided the completion of service of 5 years will not be necessary where such termination is due to death or disablement. An employee in a factory is deemed to be in, continuous service' for a period of at least 240 days in a period of 12 months or 120 days in a period of six months immediately preceding the date of reckoning, whether or not such service has been interrupted during such period by sickness, accident, leave, absence without leave, lay-off, strike, lock-out or cessation of work not due to the fault of the employee. An employee who has been in continuous service for a period of five years will eligible for gratuity upon his retirement, superannuation, death or disablement. The maximum amount of gratuity payable shall not exceed ₹ 1 million.

Payment of Bonus Act, 1965

Under the Payment of Bonus Act, 1965, as amended, (the " **Payment of Bonus Act**") an employee in a factory who has worked for at least 30 working days in a year is eligible to be paid bonus. 'Allocable surplus' is defined as 67% of the available surplus in the financial year, before making arrangements for the payment of dividend out of profit of our Company. The minimum bonus to be paid to each employee is 8.33% of the salary or wage or ₹ 100, whichever is higher, and must be paid irrespective of the existence of any allocable surplus. If the allocable surplus exceeds minimum bonus payable, then the employer must pay bonus proportionate to the salary or wage earned during that period, subject to a maximum of 20% of such salary or wage. Contravention of the Payment of Bonus Act by a company will be punishable by proceedings for imprisonment up to six months or a fine up to ₹ 1,000 or both against those individuals in charge at the time of contravention of the Payment of Bonus Act.

Minimum Wages Act, 1948

The State Governments may stipulate the minimum wages applicable to a particular industry. The minimum wages generally consist of a basic rate of wages, cash value of supplies of essential commodities at concession rates and a special allowance, the aggregate of which reflects the cost of living index as notified in the Official Gazette of the Government of India. Workers are to be paid for overtime at overtime rates stipulated by the appropriate State Government. Any contravention may result in imprisonment of up to six months or a fine of up to ₹ 500 or with both.

Employees Provident Fund and Miscellaneous Provisions Act, 1952

The PF Act is applicable to every establishment which is a factory engaged in any industry specified in Schedule I of that legislation and in which twenty or more persons are employed, as well as to any other establishment employing twenty or more persons or class of such establishments which the Central Government may by notification in the Official Gazette specify in that behalf. The Central Government may notify schemes under the PF Act whereby the employer as well as the employee is required to make a contribution to a common pool of funds. The employee would be entitled to this fund on the occurrence of a specified event or at a stipulated time period. The contribution which is to be made by the employer to the fund is 12% of the basic wages, dearness allowance and retaining allowance, if any, for the time being payable to each of the employees and the employee's contribution is equal to the contribution payable by the employer in respect of him and may, if any employee so desires, be an amount exceeding 12% of his basic wages, dearness allowance and retaining allowance if any, subject to the condition that the employer shall not be under an obligation to pay any contribution over and above his contribution payable under the provisions of the PF Act.

Trade Marks Act, 1999

The Trade Marks Act, 1999 ("**Trademark Act**") governs the statutory protection of trademarks and for the prevention of the use of fraudulent trademarks in India. In India, trademarks enjoy protection under both statutory and common law. Indian trademark law permits the registration of trademarks for goods and services. Certification marks and collective marks can also be registered under the Trademark Act. An application for trademark registration may be made by individual or joint applicants and can be made on the basis of either use or intention to use a trademark in the future.

However, the registration of a trademark that is not inherently distinctive on the basis of intent to use may be difficult to obtain.

Applications for a trademark registration may be made for in one or more international classes. Once granted, trademark registration is valid for ten years unless cancelled. If not renewed after ten years, the mark lapses and the registration has to be restored. The average timeline for the completion of the entire registration process is three to four years. However, it is likely that this timeline may be reduced in the near future due to initiatives which have been recently undertaken to expedite trademark filings.

The Trademark (Amendment) Act 2010 has been enacted by the Parliament to amend the Trademark Act to enable Indian nationals as well as foreign nationals to secure simultaneous protection of trademark in other countries, and to empower the Registrar of Trademarks to do so. It also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to bring the law generally in line with international practice.

While both registered and unregistered trademarks are protected under Indian law, the registration of trademarks offers significant advantages to the registered owner. Registered trademarks may be protected by means of an action for infringement and unregistered trademarks may only be protected by means of the common law remedy of passing off.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated under the Companies Act as a public limited company on April 4, 2000 with the name Repco Home Finance Limited. We received our certificate of commencement of business on May 2, 2000.

Our Main Objects

The main objects of our Company as contained in our Memorandum include:

1. To carry on the business of providing long term finance to any person or persons, company or corporation, society or association of persons either with or without interest, and with or without any security for the purpose of enabling the borrower to construct or purchase any house or any part or portions thereof in India for residential purposes on such terms and conditions as the company may deem fit.

2. To make access of institutional finance for home seekers easier by direct lending to individuals or groups of individuals and to render quality service to individual households with special emphasis to Repatriates as defined by the Government of India.

3. To provide long term finance or assist in financing the sale or purchase of land and buildings, separately or both together, of different nature including commercial complexes, malls, community halls, marriage halls, multi-storey buildings, work places, software parks, shops and factory sheds or any part or portions thereof in India for commercial purposes or any other purpose incidental/connected thereto on such terms and conditions as the company may deem fit.

4. To solicit or procure insurance business by acting as corporate insurance agents.

The main object clause and objects incidental or ancillary to the main objects of the Memorandum enables our Company to undertake its existing activities. The activities for which the funds are being raised pursuant to the Issue fall within the main objects of our Memorandum.

Amendments to our Memorandum

Since incorporation of our Company the following changes have been made to our Memorandum:

Date of shareholders' resolution	Nature of alteration
March 15, 2001	**Change in Capital Clause** Reclassification of authorised share capital from ₹ 200,000,000 comprising 20,000,000 Equity Shares to ₹ 200,000,000 divided into 17,000,000 Equity Shares and 3,000,000 preference shares of ₹ 10 each.
June 17, 2005	**Change in Objects Clause** Addition of the business of providing commercial loans to the objects clause.
March 30, 2006	**Change in Capital Clause** Reclassification of authorised share capital of ₹ 200,000,000 divided into 17,000,000 Equity Shares and 3,000,000 preference shares of ₹ 10 each into ₹ 200,000,000 comprising 20,000,000 Equity Shares.
May 24, 2006	**Change in Capital Clause** Increase in authorised share capital from ₹ 200,000,000 comprising 20,000,000 Equity Shares to ₹ 500,000,000 divided into 50,000,000 Equity Shares.
December 24, 2007	**Change in Capital Clause** Increase in authorised share capital from ₹ 500,000,000 divided into 50,000,000 Equity Shares to ₹ 1,000,000,000 divided into 59,776,000 Equity Shares and 40,224,000

Date of shareholders' resolution	Nature of alteration
	preference shares of ₹ 10 each.
October 1, 2009	**Change in Objects Clause** Addition to the objects clause of procuring or soliciting insurance business by acting as corporate insurance agents.
April 29, 2011	**Change in Capital Clause** Reclassification of authorised share capital from ₹ 1,000,000,000 divided into 59,776,000 Equity Shares and 40,224,000 preference shares of ₹ 10 each into ₹ 1,000,000,000 comprising 100,000,000 Equity Shares upon the reclassification of 40,224,000 preference shares of ₹ 10 each to 40,224,000 Equity Shares.
February 5, 2013	**Change in Objects Clause** Addition of takeover of existing loans granted by any other housing finance company / banks / public financial institutions for residential houses / flats / mortgage loans / loans against property / any other type of loans and /or to takeover the servicing of such loans with or without appropriate service charges to the objects incidental or ancillary to the attainment of the main objects.

Total number of shareholders of our Company

As of the date of filing of this Red Herring Prospectus, the total number of holders of Equity Shares is 25. For more details on the shareholding of the members, please see the section titled "*Capital Structure*" beginning on page 34.

Changes in the registered office of our Company

The registered office of our Company has not been changed since incorporation.

Major events and milestones

The table below sets forth some of the major events in the history of our Company:

Sr. No.	Calendar Year	Details
1.	2000	Incorporated as Repco Home Finance Limited
2.	2002	Received certificate of registration from NHB
3.	2003	Loan book crossed ₹ 1,000 million
4.	2007	Opening of our 25th branch
5.	2007	Investment by Carlyle
6.	2007	Loan book crossed ₹ 5,000 million
7.	2009	Loan book crossed ₹ 10 billion
8.	2009	First branch outside the southern states opened in Pune, Maharashtra
9.	2010	Rated "LA+ (stable)" by ICRA Limited
10.	2010	Opening of our 50th branch
11.	2011	Rated "[ICRA]A+ (stable)" by ICRA Limited
12.	2012	Opening of our 70th branch
13.	2012	Loan book crossed ₹ 30 billion
14.	2013	Reaffirmed "[ICRA]A+ (stable)" rating by ICRA Limited for term loan facilities aggregating to ₹ 2,974.80 million.

Strike and labour unrest

There have been no strikes or labour unrests in our Company at any time preceding the date of this Red Herring Prospectus.

Changes in activities of our Company

The main activity of our Company since incorporation has been to provide long-term finance for residential purposes. By a special resolution adopted on October 1, 2009, our shareholders approved an amendment to the main objects of our Memorandum for procuring or soliciting insurance business by acting as corporate insurance agents.

Defaults or re-scheduling of borrowings with financial Institutions/banks, conversion of loan into equity by our Company

There have been no defaults or rescheduling of the borrowings availed by us.

Capital raising through equity and debt

For details in relation to our capital raising activities through equity and debt, see the sections titled "*Capital Structure*" and "*Financial Indebtedness*" beginning on pages 34 and 157, respectively.

Business and management

For details of our Company's business, products, marketing, the description of its activities, products, market segment, the growth of our Company, standing of our Company with reference to the prominent competitors and with reference to its services, technology, market and geographical segment, please see the section titled "*Our Business"* and "*Management's Discussion and Analysis of Financial Condition and Results of Operations of our Company*" beginning on pages 76 and 130, respectively.

For details of the management of our Company and its managerial competence, please see the section titled "*Our Management*" beginning on page 105.

Injunctions or Restraining Orders against our Company

There are injunctions or restraining orders against our Company, especially relating to proceedings under the SARFAESI Act. For further details, please see the section titled "*Outstanding Litigation and Material Developments*" beginning on page 169.

Scheme of Arrangement, acquisitions of business undertakings and revaluations of assets

Our Company has not been involved in any scheme of arrangement or acquisition of any business undertaking. We have not revalued our assets in the past three years.

Share Purchase and Shareholders' Agreements

Share purchase, share subscription and shareholders agreement dated December 28, 2007 between Carlyle, Mr. Madhava Menon Shankar Narayanan, Mr. Mahesh Parasuraman, Mr. Nikhil Mohta, Mr. Manish Gaur ("Co-Investors"), our Promoter and our Company (collectively, the "Parties"), as amended, by letter agreement dated March 18, 2011, the amendment agreement dated May 5, 2011, September 28, 2011, March 29, 2012 and September 29, 2012 between the Parties to the share purchase, share subscription and shareholders agreement.

Pursuant to an agreement dated May 5, 2011 between the Parties (the "**Amendment Agreement**"), the SHA was amended whereby the Parties have agreed to terminate the SHA with effect from the date of filing of the red herring prospectus. However, Carlyle will continue to have the right to appoint two directors on the Board of the Company (subject to Carlyle continuing to hold a certain percentage of Equity Shares in the Company), and Carlyle and the Co-Investors retain the right to indemnification and confidentiality with respect to the SHA.

If the IPO is not completed by March 31, 2013 or such later date as may be agreed to in writing by the Parties, the SHA stands automatically reinstated with effect from the first day immediately following March 31, 2013 or such other date as agreed to in writing by the Parties, and will remain in full force as if the Amendment Agreement has not been executed.

In accordance with the Amendment Agreement, subsequent to listing of the Equity Shares at a recognised stock exchange, Carlyle shall provide our Promoter with voting rights in relation to such number of shares so as to ensure that 51% of the total voting rights is maintained by our Promoter and any governmental authority ("**Government Authority")** or entities owned or controlled by Governmental Authorities. "Governmental Authority", according to the terms of the SHA, includes the President of India, the Government of India, the Governor and the Government of any State in India, any Ministry or Department of the same or any governmental or political subdivision thereof, any legislative, executive or administrative body, municipality or any local or other authority, trade agency, regulatory authority, court, tribunal or arbitral tribunal, exercising powers conferred by Law in India and shall include, without limitation, the Department of Company Affairs, SEBI, RBI, FIPB and NHB.

In connection with such voting rights, Carlyle has executed a power of attorney in favour of our Promoter to exercise voting rights of over of 8,980,669 Equity Shares, ("**Voting Shares**") except for certain matters which, include the following:

a. any proposal to alter or change the rights, preferences or privileges of the Equity Shares, or create (by reclassification, bonus issue, rights issue or otherwise) any new class or series of shares having rights, preferences or privileges senior to or on a parity with the Equity Shares;

b. any proposal to increase, decrease or other alteration or modification in authorised or issued share capital, or creation or issue of securities (including equity shares, preference shares, non-voting shares, warrants and options, among others.) or any instrument/loans convertible into equity;

c. any proposal of merger, acquisition or consolidation by or of the Company;

d. any proposal of liquidation, dissolution, disposition, sale, license, creation of any encumbrance or transfer of all or substantially all of the assets of the Company;

e. any recapitalization, reclassification, split-off, spin-off or bankruptcy of the Company;

f. any strategic purchase by the Company of equity interest in any company, business interests or assets;

g. any proposal to engage in any business materially different from that described in the then current business plan of the Company; and

h. any act or commitment to do any of the foregoing.

Pursuant to the power of attorney Carlyle has given powers to Promoter to appoint any representative for all or any general meetings of members or class of members of the Company to exercise voting rights in respect of Voting Shares on all matters except those mentioned above.

However, in the event that the Promoter acquires and/or the Government Authority acquire any Equity Shares beyond their current shareholding, the Equity Shares, that form the subject matter of the power of attorney would get released from the provisions of the power of attorney so as to reduce the number of Voting Shares by such number of Equity Shares that have been acquired by the Promoter and/or the Government Authority, thus ensuring that the Promoter and/or the Government Authority retain 51% shareholding control of the Company at all times. This power of attorney is effective from the date of filing of the red herring prospectus.

Further, subsequent to listing, our Promoter has a right of first refusal with respect to any transfer of Equity Shares by Carlyle and the Co-Investors to an extent that would enable our Promoter and any Governmental Authority or entities owned or controlled by Governmental Authorities to increase its shareholding to 51% of the paid-up capital.

A copy of the SHA, as amended, is available for inspection at the registered office of our Company as set out in "*Material Contracts and Documents for Inspection"* beginning on page 273.

Subsidiaries of our Company

Our Company does not have any subsidiaries as on the date of this Red Herring Prospectus.

Other agreements

Except as disclosed, our Company is not a party to any material agreements which have not been entered into in the ordinary course of business.

OUR MANAGEMENT

Under the provisions of the Companies Act and our Articles, our Company is required to have not less than 3 (three) Directors and shall not have more than 12 Directors. Our Company currently has 10 Directors.

The following table sets forth details regarding our Board as on the date of this Red Herring Prospectus:

Name, Father's Name, Designation, Address, Occupation, Nationality, Date of Appointment, Term and DIN	Age (Years)	Other directorships/partnerships/trusteeships
Mr. T.S. Krishna Murthy s/o Mr. T.V. Subbayya **Designation**: Chairman, Non-Executive and Independent Director **Address**: 7-S9, Gokul Tower Apartments Sir C P Ramasamy Road Alwarpet, Chennai 600 018 Tamil Nadu, India **Occupation**: Retired public servant **Nationality**: Indian **Date of Appointment:** September 13, 2011 **Term:** Liable to retire by rotation. **DIN:** 00279767	72	*Other Directorships* a. Shriram Life Insurance Company Limited. b. DSP BlackRock Trustee Company Private Limited. c. RRB Energy Limited. d. Edelweiss Asset Reconstruction Company Limited. *Partnerships* Nil. *Trusts* a. Consumer Education & Research Centre, Ahmedabad b. HelpAge India, New Delhi c. K.K. Child Trust Hospital, Chennai d. Taruvai Charitable Trust, Chennai
Mr. S.C. Panda s/o Mr. Nityananda Panda **Designation**: Non-Executive and Non-Independent Director **Address**: C-II/149, Satya Marg Chanakya Puri New Delhi 110 021, India **Occupation**: Central Government Service **Nationality**: Indian **Date of Appointment:** March 8, 2012 **Term:** Liable to retire by rotation. **DIN:** 05201584	57	*Other Directorships* a. Repco Bank Limited b. Rehabilitation Plantations Limited *Partnerships* Nil. *Trusts* Nil.
Mr. K. Deenabandhu s/o Karuppasamy **Designation**: Non-Executive and Non-Independent	59	*Other Directorships* a. The Tamil Nadu Textile Corporation Limited.

Name, Father's Name, Designation, Address, Occupation, Nationality, Date of Appointment, Term and DIN	Age (Years)	Other directorships/partnerships/trusteeships
Director **Address**: 5, Rajarajan Street, Kalashatra Colony, Besant Nagar, Chennai 600 090 Tamil Nadu, India **Occupation**: Retired Public Servant **Nationality**: Indian **Date of Appointment:** September 13, 2011 **Term:** Liable to retire by rotation. **DIN:** 01234952		b. Arasu Rubber Corporation Limited. c. Tamil Nadu Tea Plantation Corporation Limited. d. Repco Bank Limited *Partnerships* Nil. *Trusts* Nil.
Mr. Thomas Paul Diamond s/o Mr. Edward Thomas **Designation**: Non-Executive and Independent Director **Address**: Flat 305, III Floor Block 3-A, Doshi, Etopia I Panchayat, 3rd Link Road Perungudi, Chennai 600 096 Tamil Nadu, India **Occupation**: Retired Executive **Nationality**: Indian **Date of Appointment:** January 25, 2001 **Term:** Liable to retire by rotation. **DIN:** 03139810	75	*Other Directorships* Nil. *Partnerships* Nil. *Trusts* Nil.
Mr. G.R. Sundaravadivel s/o Mr. G. Ramasamy **Designation**: Non-Executive and Independent Director **Address**: Old No. 26, (New No. 16) Agasthiyar Street Gandhi Nagar, Saligramam Chennai 600 093 Tamil Nadu, India **Occupation**: Retired Banking Executive	71	*Other Directorships* a. Andhra Bank. b. Hindustan Photo Films Manufacturing Company Limited. *Partnerships* Nil. *Trusts* Nil.

Name, Father's Name, Designation, Address, Occupation, Nationality, Date of Appointment, Term and DIN	Age (Years)	Other directorships/partnerships/trusteeships
Nationality: Indian **Date of Appointment:** April 3, 2012 **Term:** Liable to retire by rotation. **DIN:** 00353590		
Mr. V. Nadanasabapathy s/o Mr. S. Velayutham **Designation**: Non-Executive and Independent Director **Address**: Plot No. 1223, Thirumagal Illam Anna Nagar, West End Colony Chennai 600 050 Tamil Nadu, India **Occupation**: Retired Banking Executive **Nationality**: Indian **Date of Appointment**: July 22, 2005 **Term:** Liable to retire by rotation. **DIN:** 03140725	68	*Other Directorships* Nil. *Partnerships* Nil. *Trusts* Nil.
Mr. C. Thangaraju s/o Mr. S. Chidambaram **Designation**: Non-Executive and Non-Independent Director **Address**: 4A, Paramathi Road Nammakal 637 001 Tamil Nadu, India **Occupation**: Professional **Nationality**: Indian **Date of Appointment:** March 26, 2010 **Term:** Liable to retire by rotation. **DIN:** 00223383	45	*Other Directorships* Repco Bank Limited. *Partnerships* Nil *Trusts* Repatriate Welfare Trust
Mr. Madhava Menon Shankar Narayanan s/o Mr. M. Shankar Narayanan Pillai **Designation**: Non-Executive and Non-Independent	50	*Other Directorships* a. Carlyle India Advisors Private Limited.

Name, Father's Name, Designation, Address, Occupation, Nationality, Date of Appointment, Term and DIN	Age (Years)	Other directorships/partnerships/trusteeships
Director (*Nominee Director of Carlyle*) **Address**: 11th floor, Brindaban – 3 Poonam Nagar, Off Mahakali Caves Andheri (East), Mumbai 400 093 Maharashtra, India **Occupation**: Service **Nationality**: Indian **Date of Appointment:** December 28, 2007 **Term:** Not liable to retire by rotation. **DIN:** 00219212		b. Elitecore Technologies Private Limited. c. Visen Industries Limited. d. Tirumala Milk Products Private Limited. e. Cyberoam Technologies Private Limited. f. Infotech Enterprises Limited. *Partnerships* Nil. *Trusts* Nil.
Mr. Mahesh Parasuraman s/o Mr. Parasuraman Venkataraman **Designation**: Non-Executive and Non-Independent Director (*Nominee Director of Carlyle*) **Address**: Flat No.401, Kum Kum Plot 597, 16th Road, Bandra (West) Mumbai 400 050 Maharashtra, India **Occupation**: Service **Nationality**: Indian **Date of Appointment:** December 28, 2007 **Term:** Not liable to retire by rotation. **DIN:** 00233782	37	*Other Directorships* a. Elitecore Technologies Private Limited. b. Allsec Technologies Limited. c. Cyberoam Technologies Private Limited. d. Value and Budget Housing Corporation Private Limited e. Cyberoam Inc *Partnerships* Nil. *Trusts* Nil.
Mr. R. Varadarajan s/o Mr. Srinivasan Raghavchari **Designation**: Managing Director **Address**: No. 55, IV Main Road Gandhi Nagar, Adayar Chennai 600 020 Tamil Nadu, India **Occupation**: Service **Nationality:** Indian **Date of Appointment:** October 1, 2010	58	*Other Directorships* a. Repco Bank Limited. b. Repco MSME Development and Finance Limited. c. Repco Infrastructure Development Company Limited. d. Repco Foundation for Micro Credit. *Partnerships* Nil. *Trusts*

Name, Father's Name, Designation, Address, Occupation, Nationality, Date of Appointment, Term and DIN	Age (Years)	Other directorships/partnerships/trusteeships
Term: Till September 30, 2015 **DIN:** 02020709		Repatriates Welfare Trust.

Brief Biographies of our Directors

- Mr. T. S. Krishna Murthy, aged 72, is the Chairman and a non-executive and independent director of our Company. He holds bachelor's degrees in economics from University of Mysore and in law from the University of Madras. He also holds a master's degree in fiscal studies from the University of Bath, U.K. He has more than 50 years of work experience. He served as the Chief Commissioner of Income Tax, Secretary to the Government of India - Department of Company Affairs, Additional Secretary - Department of Expenditure, Ministry of Finance. He has also served as the Chief Election Commissioner of India. He has been associated with Shriram Life Insurance Company Limited ("**Shriram**") since December, 2005 and Edelweiss Asset Reconstruction Company Limited ("**Edelweiss**") since August, 2008 and is currently a non-executive chairman on the board of Shriram and Edelweiss. He is a trustee director on the board of DSP BlackRock Trustee Company Private Limited ("**DSP BlackRock**") and has been associated with DSP BlackRock since September, 2006 and director on the board of RRB Energy Limited ("**RRB Energy**") and has been associated with RRB Energy since April, 2008. His current positions include appointment on the governing bodies of organizations such as HelpAge India, New Delhi and Consumer Education & Research Centre, Ahmedabad. He has been a Director on the Board of our Company since September 13, 2011.

- Mr. S. C. Panda, aged 57, is a non-executive and non-independent director of our Company. He holds a post graduate degree in political science from the University of Utkal and diploma in public administration from the University of Punjab. He also holds a master's degree in business administration from the University of Birmingham, United Kingdom. He currently holds the position of Additional Secretary and Financial Advisor - Ministry of Home Affairs. He has approximately 32 years of work experience in Government service. He has served in the various departments including departments of land revenue management and district administration, rural development, tourism, social justice and empowerment, human resource development and agriculture and co-operation. He has been a Director on the Board of our Company since March 8, 2012.

- Mr. K. Deenabandhu, aged 59, is a non-executive and non-independent director of our Company. He holds a master's degree in economics. He has around 21 years of work experience with the Government of Tamil Nadu. He has been a Director on the Board of our Company since September 13, 2011.

- Mr. Thomas Paul Diamond, aged 75, is a non-executive and independent director of our Company. He holds a master's degree in physics from Madras Christian College, Tambaram and is an associate of the Federation of Insurance Institute in India. He has around 40 years of work experience including 33 years of work experience at LIC of India in various positions. He has been the chief executive for three years at LIC Housing Finance Limited and was also the managing director for five years at Hometrust Housing Finance Company Limited. He has been a Director on the Board of our Company since January 25, 2001.

- Mr. G.R. Sundaravadivel, aged 71, is a non-executive and independent director of our Company. He holds a master's degree in commerce from the University of Madras and is also a certified associate of the Indian Institute of Bankers. He also holds bachelors degree in general laws from the University of Mysore. He has 37 years of work experience at various nationalised banks, including 13 years in senior management positions at nationalised banks. He was associated with Indian Bank for around 33 years and as a whole-time director of United Bank of India for around four years. His current positions, amongst others, include director on the board of Andhra Bank since March, 2012. In the past, he has also served as a director on the board of the Oriental Bank of Commerce and director on the board of Punjab National Bank. He was appointed as an additional director on the Board of our Company pursuant to resolution dated April 3, 2012 passed by the Board of Directors of our Company.

- Mr. V. Nadanasabapathy, aged 68, is a non-executive and independent director of our Company. He holds a bachelor's degree in science (agriculture) from Annamalai University and is a certified associate of the Indian Institute of Bankers. He has around 38 years of experience cumulatively, out of which around 35 years were in the banking sector. He retired as deputy general manager at Syndicate Bank and was associated with the bank for a period of 35 years during which he was the chairman of North Malabar Gramin Bank for a period of three years. He has been a Director on the Board of our Company since July 22, 2005.

- Mr. C. Thangaraju, aged 45, is a non-executive and non-independent director of our Company. He holds a bachelor's degree in physics from St. Josephs College, Trichy and a bachelor's degree in law from Madras Law College, Madras University. He has been practicing as a lawyer for the past 20 years in the District Court at Namakkal, Tamil Nadu. He has been a director on the board of our Promoter since July, 2009. He has been a Director on the Board of our Company since March 26, 2010.

- Mr. Madhava Menon Shankar Narayanan, aged 50, is a nominee director of Carlyle. Mr. Narayanan holds a post-graduate diploma in management from XLRI Jamshedpur and a bachelor of technology in civil engineering from the Indian Institute of Technology, New Delhi. He has over 24 years of work experience. He joined Carlyle in December, 2004. Mr. Narayanan was also the managing director and chief investment officer of Hathway Investments Limited for period of six years. He has been a Director on the Board of our Company since December 28, 2007.

- Mr. Mahesh Parasuraman, aged 37, is a nominee director of Carlyle. Mr. Parasuraman holds a bachelor's degree in commerce from Bangalore University and is a graduate cost and works accountant. He is also an associate member of the Institute of Chartered Accountants of India. He has 15 years of work experience. He joined Carlyle in September, 2004. Prior to joining Carlyle, Mr. Parasuraman was with Ernst & Young, Corporate Finance, as an associate vice-president for a period of four years. Prior to Ernst & Young, Mr. Parasuraman was with Arthur Andersen, Tax and Business Advisory Group for a period of four years. He has been a Director on the Board of our Company since December 28, 2007.

- Mr. R. Varadarajan, aged 58, is the managing director of our Company. Mr. Varadarajan holds a master's degree in science from Tamil Nadu Agricultural University and holds diploma in management from Indira Gandhi National Open University. He is a certified associate of Indian Institute of Bankers. He has been the managing director of our Company since October 1, 2010 and is also the managing director of our Promoter. He has approximately 35 years of work experience in the banking industry. Prior to joining our Company, he was associated with Syndicate Bank in various capacities for a period of 23 years and with our Promoter since 2001. He is responsible for the overall strategy and direction of our Company and plays a significant role in assisting the Board for the systematic and planned growth of our Company, in key areas such as risk management, expansion, credit quality, formulation of key systems and policies and overall guidance in operations.

Relationships between our Directors

None of the Directors are related to each other.

Directorships in companies suspended or delisted

Except Mr. G.R. Sundaravadivel, none of our Directors are or have been directors in listed companies whose shares have been/were suspended from trading at the stock exchanges within a period of five years immediately preceding the date of the Red Herring Prospectus.

The following table sets forth the details of the listed companies whose shares have been or were suspended from trading on BSE or NSE, in which one of our Director, Mr. G.R. Sundaravadivel is a director:

Sr. No.	Particulars	Details
a.	Name of the company	Hindustan Photo Films Manufacturing Company Limited
b.	Name of the stock exchange(s) on which the company was listed	BSE and NSE
c.	Date of suspension on stock exchanges	Trading has been suspended on BSE with effect from September 14, 1999
d.	Whether suspended for more than three months	Yes, trading has been suspended for more than three months
e.	Reasons for suspension and period of suspension, if the suspension has been for more than three months	Trading was suspended on account of non-payment of annual listing fees to BSE.
f.	Whether the suspension has been revoked	No
g.	Date of revocation of suspension	No
h.	Term of directorship	Present and continuing

None of our Directors are or have been directors in companies which have been/were delisted from any stock exchange in India.

Payment or benefit to Directors/officers of our Company

Remuneration paid to our managing director

Pursuant to a shareholders' resolution dated December 27, 2010, Mr. R. Varadarajan was appointed as the managing director of our Company with effect from October 1, 2010 for tenure of five years. He is entitled for remuneration not exceeding ₹ 0.4 million per annum and performance incentive of 1% of the net profit of our Company, subject to a ceiling of ₹ 0.75 million per annum in accordance with Part II of Schedule XIII of the Companies Act. Our managing director was paid a remuneration of ₹ 686,315 in Fiscal 2012.

Remuneration paid to erstwhile executive director

The remuneration paid to Mr. S. V. Balasubramanian in Fiscal 2012 was ₹ 2,156,721. He resigned from the Board of our Company with effect from February 29, 2012.

Remuneration of our non-executive Directors in Fiscal 2012

The details of the sitting fees and other payments paid to the non-executive directors of our Company in Fiscal 2012 are set forth in the table below:

Sr. No.	Name of the Director	Sitting fees (in ₹)
1.	Mr. T.S. Krishna Murthy	50,000
2.	Mr. S.C. Panda	-
3.	Mr. R. R. Jha*	-
4.	Mr. Vishwapati Trivedi**	-
5.	Mr. K. Deenabandhu	-
6.	Mr. Thomas Paul Diamond	60,000
7.	Mr. G. R. Sundaravadivel	35,000
8.	Mr. V. Nadanasabapathy	75,000
9.	Mr. C. Thangaraju	35,000
10.	Mr. Madhava Menon Shankar Narayanan	-
11.	Mr. Mahesh Parasuraman	-

** Mr. R.R. Jha resigned as a non executive director of our Company with effect from November 2, 2012*
***Mr. Vishwapati Trivedi resigned as a non executive director of our Company with effect from August 3, 2012*

Except for sitting fees, no other remuneration was paid to the non-executive directors.

Shareholding of Directors

Except as set forth below, none of our Directors hold any Equity Shares as on the date of filing this Red Herring Prospectus. The Articles do not require the Directors to hold any qualification shares.

Sr. No.	Name of shareholder	Number of Equity Shares held	Pre-Issue%	Post Issue%
1.	Mr. Madhava Menon Shankar Narayanan	55,139	0.12	[•]
2.	Mr. Mahesh Parasuraman	2,205	0.01	-
Total		**57,344**	**0.13**	[•]

Service Contracts

Our Directors have not entered into any service contracts with our Company.

Borrowing Powers of the Board

In accordance with the provisions of the Companies Act and our Articles, our Board has been authorised to borrow, from time to time, monies (apart from the temporary loans obtained from our Company's bankers in the ordinary course of business), for the purpose of the Company in excess of the aggregate of the paid-up capital of our Company and its free reserves (i.e. reserves not set apart for any specific purposes provided that the total amount of such borrowings together with the amount already borrowed and outstanding shall not exceed ₹ 40,000 million, pursuant to the resolution of our shareholders dated April 29, 2011, in accordance with section 293(1)(d) of the Companies Act.

Corporate Governance

The provisions of the Listing Agreement to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to us immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company believes that it is in compliance with the requirements of the applicable regulations, including the Listing Agreement with the Stock Exchanges and the SEBI ICDR Regulations, in respect of corporate governance including constitution of the Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of Committees, as required under Listing Agreement.

Our Board is constituted in compliance with the Companies Act and to meet the compliance requirements set out in clause 49 of the Listing Agreement and in accordance with the best practices of corporate governance. The Board functions either as a full board or through various committees constituted to oversee specific functions. Our Company's executive management provides the Board detailed reports on its performance periodically.

Currently the Board has 10 Directors and the Chairman is a non-executive and independent Director. In compliance with the requirements of Clause 49 of the Listing Agreement, our Company has 1 executive Director, 5 non-executive Directors including two Directors who are nominees of Carlyle, and 4 independent Directors, on the Board.

Committees of the Board

In terms of clause 49 of the Listing Agreement, our Company has constituted the following committees:
1. Audit Committee;
2. Shareholders' Grievance Committee; and
3. Remuneration Committee.

Further, our Company has constituted a compensation committee according to the terms of SEBI ESOP Guidelines.

We also have an IPO committee as a committee of the Board.

Audit Committee

The audit committee was constituted by our Directors at the Board meeting held on February 23, 2002 and reconstituted on April 3, 2012 ("**Audit Committee**"). The Audit Committee comprises of the following members:

Sr. No	Name of the member	Designation
1.	Mr. Thomas Paul Diamond (Chairman)	Independent Director
2.	Mr. V. Nadanasabapathy	Independent Director
3.	Mr. G.R. Sundaravadivel	Independent Director
4.	Mr. Madhava Menon Shankar Narayanan	Non-Independent and Non-Executive Director

*Scope and terms of reference***:** The Audit Committee will perform the following functions with regard to accounts and financial management:

1. Review of management discussion and analysis of financial condition and results of operations;
2. Review of statement of significant related party transactions (as defined by the Audit Committee) submitted by the management;
3. Review of management letters/letters of internal control weaknesses issued by statutory auditors;
4. Review of internal audit reports relating to internal control weaknesses;
5. Review of the appointment, removal and terms of remuneration of the chief internal auditor;
6. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
7. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
8. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
9. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
    a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act;
    b. Changes, if any, in accounting policies and practices and reasons for the same;
    c. Major accounting entries involving estimates based on the exercise of judgment by management;
    d. Significant adjustments made in the financial statements arising out of audit findings;
    e. Compliance with listing and other legal requirements relating to financial statements;
    f. Disclosure of any related party transactions; and
    g. Qualifications in the draft audit report.
10. Reviewing, with the management, the quarterly financial statements before submission to our Board for approval;
11. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue and preferential issue, among others, the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
14. Discussion with internal auditors in relation to any significant findings and follow-up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to our Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any areas of concern;

17. To look into the reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the whistle blower mechanism, if in existence;
19. Approval of appointment of chief financial officer (*i.e.* the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications and experience & background, among others, of the candidate; and
20. Carrying out any other function that may be incidental to the terms of reference of the Audit Committee.

Shareholders' Grievance Committee

The shareholders' grievance committee was constituted by our Directors at the Board meeting held on September 13, 2011, and reconstituted on April 3, 2012 ("**Shareholders' Grievance Committee**"). The Shareholders' Grievance Committee comprises of the following members:

Sr. No	Name of the member	Designation
1.	Mr. G.R. Sundaravadivel (Chairman)	Independent Director
2.	Mr. Thomas Paul Diamond	Independent Director
3.	Mr. V. Nadanasabapathy	Independent Director

*Scope and terms of reference**:*** The Shareholders' Grievance Committee has been constituted to do the following acts:

1. Ensure proper controls at Registrar and share transfer agent;
2. Examine redressal of the shareholders complaints and queries;
3. Review movement in shareholdings and ownership structure;
4. Investor relations and redressal of shareholders grievances in general and relating to non receipt of dividends, interest and non receipt of balance sheet, among others;
5. Approve requests for share transfers and transmission and those pertaining to rematerialisation of shares/sub-division/consolidation/issue of renewed and duplicate share certificates, among others;
6. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee; and
7. Any other actions that may be incidental thereto.

Remuneration Committee

The remuneration committee was constituted by our Directors at the Board meeting held on September 13, 2011 and reconstituted on April 3, 2012 ("**Remuneration Committee**"). The Remuneration Committee comprises of the following members:

Sr. No	Name of the member	Designation
1.	Mr. G.R. Sundaravadivel (Chairman)	Independent Director
2.	Mr. Thomas Paul Diamond	Independent Director
3.	Mr. V. Nadanasabapathy	Independent Director

*Scope and terms of reference**:*** The Remuneration Committee exercises powers in relation to the matters listed below:

1. Determining the remuneration payable to the managing director and executive director of our Company;
2. Determining the remuneration policy of our Company;
3. Framing suitable policies and systems to ensure that there is no violation by any employee of our Company of any applicable laws in India or overseas, including:
   i. The Securities and Exchange Board of India (Insider Trading) Regulations, 1992 as amended; and

ii. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995, as amended, by any employee.

Other Committees

IPO Committee

The IPO Committee was constituted by our Directors at the Board meeting held on April 29, 2011 and reconstituted on February 4, 2013 ("**IPO Committee**"). The IPO Committee comprises of the following members:

Sr. No	Name of the member	Designation
1.	Mr. Varadarajan (Chairman)	Managing Director
2.	Mr. G.R. Sundaravadivel	Non-Executive and Independent Director
3.	Mr. V. Nadanasabapathy	Non-Executive and Independent Director
4.	Mr. Madhava Menon Shankar Narayanan	Non-Executive and Non-Independent Director

*Scope and terms of reference***:** The IPO Committee exercises powers in relation to the matters listed below:

To take all steps and to do all acts, deeds, matters and things and to sign all documents, agreements, contracts, deeds, documents, declarations, affidavits, undertakings, appointment letters, applications, forms and papers, amongst others, and also to take decisions and issue clarifications on all issues and matters in connection with the Issue including but not limited to the following:

1. Positioning of the initial public offering including appointing all intermediaries for the Issue including BRLMs, domestic and international legal counsels, IPO grading agency, Registrar to the Issue, escrow collection banks, printers, advertising agency and underwriters, among others, and approval of expenses related thereto;
2. Finalizing the time-lines for the Issue in consultation with the BRLMs and other concerned intermediaries;
3. Ensuring and finalizing all disclosures to be made in the DRHP, this Red Herring Prospectus, and the prospectus to be filed with SEBI and the RoC as per the requirements of the SEBI ICDR Regulations, Companies Act and other applicable laws;
4. Deciding the capital structure of the Company including the size of the Issue, composition of the Issue (primary or secondary) and split of the nominal value of the equity shares of the Company below ₹ 10 per share in consultation with the BRLMs, among others.;
5. Deciding the objects of the Issue, the use of the Issue proceeds and the deployment of funds raised in the Issue and changes therein, if any, among others;
6. Deciding the Price Band and other terms of the Issue in consultation with the BRLMs;
7. Finalizing and approving the Issue expenses in consultation with the BRLMs;
8. Deciding the stock exchanges on which Equity Shares in the Issue will be listed, filing of applications to the stock exchanges for obtaining "in-principle approval" and listing of the shares, among others. and ensuring compliance with the Listing Agreement including constituting the various committees under clause 49 of the Listing Agreement with the Stock Exchanges; and
9. Taking decisions on and resolving all such questions, difficulties on all matters in relation to the proposed Issue and offer for sale, issuing explanations and clarifications to SEBI, the RBI, the stock exchanges, the RoC, and all other regulatory authorities and government offices, among others, in connection with any matter relating to disclosures in the DRHP, this Red Herring Prospectus, and the prospectus, or any other matter, issue and grievance related to or incidental with the Issue or listing of the shares of the Company, among others.

Compensation Committee

The compensation committee was constituted by our Directors at the Board meeting held on March 14, 2008 and reconstituted on April 3, 2012 ("**Compensation Committee**"). The Compensation Committee comprises the following members:

Sr. No	Name of the member	Designation
1.	Mr. G.R. Sundaravadivel (Chairman)	Independent Director
2.	Mr. Thomas Paul Diamond	Independent Director
3.	Mr. V. Nadanasabapathy	Independent Director

Scope and terms of reference: The Compensation Committee exercises powers in relation to the matters listed below:

1. The quantum of option to be granted under an employee stock option scheme, per employee and in aggregate;
2. The conditions under which option vested in employees may lapse in case of termination of employment;
3. The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
4. The specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
5. The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
6. The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration by the Compensation Committee:
    i. the number and the price of employee stock option scheme shall be adjusted in a manner such that total value of the employee stock option scheme remains the same after the corporate action;
    ii. the global best practices in this area including the procedures followed by the derivative markets in India and abroad shall be considered; and
    iii. the vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the option holders.
7. The grant, vest and exercise of option in case of employees who are on long leave;
8. Any other actions that may be incidental thereto; and
9. Any other item/reference made to them from time to time.

Policy on disclosures and internal procedure for prevention of insider trading

The provisions of Regulation 12(1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, will be applicable to our Company immediately upon the listing of its Equity Shares on the Stock Exchanges. Our Company shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 1992 on listing of the Equity Shares.

Interest of Directors

All of our Directors may be deemed to be interested to the extent of any fees and remuneration payable to them by our Company as well as to the extent of any reimbursement of expenses, if any, payable to them, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

The Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by or allotted to them under the Employee Reservation Portion or that may be subscribed by or allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to the Issue. All of the Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares.

The Directors have no interest in any property acquired by our Company within the preceding two years from the date of this Red Herring Prospectus.

Except as stated in the section "*Financial Statements - Related Party Disclosures*" on page F-35 and described herein to the extent of shareholding in our Company, if any, the Directors do not have any other interest in our Company's business.

Further, four Directors of our Company are also on the board of directors of our Promoter. These directors may be interested to the extent of any contracts that may be entered into between the Promoter and our Company.

None of the Directors have entered into any service contracts with our Company.

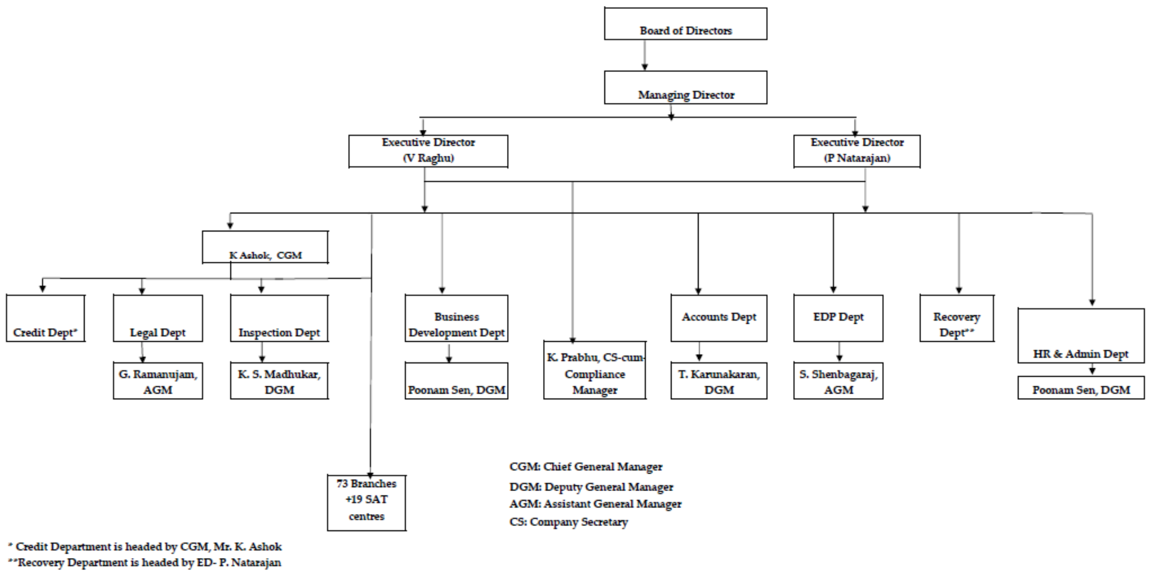
None of our Directors have been appointed pursuant to any arrangement or understanding with the Company's major shareholders, customers or suppliers or others except for Mr. Madhava Menon Shankar Narayanan and Mr. Mahesh Parasuraman who have been nominated by Carlyle.

Changes in our Board during the last three years

Except for the following, there have been no other changes in our Board during the last three years:

Sr. No	Name of Director	Date of Appointment/Cessation	Reason
1.	Mr. C. Thangaraju	March 26, 2010	Appointment
2.	Mr. E. Santhanam	March 26, 2010	Resignation
3.	Mr. M. Balasubramanian	September 30, 2010	Resignation
4.	Mr. R. Vardarajan	October 1, 2010	Appointment
5.	Mr. Anil Kumar Goyal	March 26, 2011	Resignation
6.	Mr. R.R. Jha	April 29, 2011	Appointment
7.	Mr. T.S. Krishna Murthy	September 13, 2011	Appointment
8.	Mr. G.R. Sundaravadivel	September 13, 2011	Appointment
9.	Mr. Karuthaiah Pandian	September 13, 2011	Resignation
10.	Mrs. V.K. Bhargavi	September 13, 2011	Resignation
11.	Mr. M. Kalaivanan	September 13, 2011	Resignation
12.	Mr. K. Deenabandhu	September 13, 2011	Appointment
13.	Mr. G.R. Sundaravadivel	February 22, 2012	Resignation
14.	Mr. S. V. Balasubramanian	February 29, 2012	Resignation
15.	Mr. S. C. Panda	March 8, 2012	Appointment
16.	Dr. Vishwapati Trivedi	March 8, 2012	Resignation
17.	Mr. G.R. Sundaravadivel	April 3, 2012	Appointment
19.	Mr. R.R. Jha	November 2, 2012	Resignation

Management Organisational Structure



Key Managerial Personnel

The details of the key managerial personnel other than the managing director of our Company, as of the date of this Red Herring Prospectus, are set out below:

Mr. P. Natarajan, aged 56, is designated as an executive director of our Company. He holds a bachelor's degree in commerce from the Madurai Kamaraj University. He is also a junior associate of the Indian Institute of Banking and Finance. He has around 30 years of experience in banking and financial services. He has been associated with our Company since August 29, 2012. Prior to joining our Company, he was with Repco Bank as a general manager.

Mr. V. Raghu, aged 56, is designated as an executive director of our Company. He holds a master's degree in economics from Birla Institute of Technology & Science and a master's degree in business administration. He is also a certified associate of the Indian Institute of Bankers. He has around 32 years of work experience. Prior to joining our Company he was associated with Indian Wind Turbine Manufacturers Association. Prior to joining Indian Wind Turbine Manufacturers Association, he was associated with the Indian Wind Power Association and National Housing Bank as a General Manager. He has been associated with our Company since November 1, 2012. He has also worked with Reserve Bank of India as Research Officer and State Bank of India.

Mr. K. Ashok, aged 55 years, is a chief general manager of our Company. He is a post graduate in agriculture from Annamalai University. Mr. Ashok has around 24 years of experience in the banking industry. Prior to joining our Company, he worked with Syndicate Bank in certain of its regional offices and branches for a period of 23 years. Mr. Ashok has been associated with our Company since December 1, 2005 and is in charge of the credit department. He was elevated as a chief general manager of our Company on October 18, 2012. The remuneration paid to him in Fiscal 2012 was ₹ 0.83 million.

Ms. Poonam Sen, aged 39 years, is a deputy general manager of our Company. She has a post graduate degree in economics from the University of Delhi and a master's degree in business administration from the University of Delhi. She has approximately 12 years of experience in the housing finance industry. Prior to joining our Company, she has worked for a period of 7.5 years with the NHB in various departments including corporate planning, refinance operation and market research. Ms. Poonam Sen has been associated with our Company since October 16, 2006, and is in charge of planning, business development, human resources and training. The remuneration paid to her in Fiscal 2012 was ₹ 0.79 million.

Mr. T. Karunakaran, aged 43 years, is a deputy general manager of our Company. Mr. T. Karunakaran holds a bachelor's degree in zoology from Madras University. He has approximately 20 years of experience in housing finance. Prior to joining our Company, he worked for a period of 6 months with the Housing and Urban Development Corporation Limited and for a period of 13 years with Ind Bank Housing Limited. He has been associated with our Company since July 5, 2004 and is in charge of our accounts department. The remuneration paid to him in Fiscal 2012 was ₹ 0.74 million.

Mr. G. Ramanujam, aged 55 years, is an assistant general manager of our Company. Mr. G. Ramanujam has a master's degree in economics from Sri Venkateswara University, Tirupati and a bachelor's degree in law from Bangalore University. He also holds a diploma in home loan advising from the Indian Institute of Banking and Finance and is a certified associate from Indian Institute of Bankers, Mumbai. Prior to joining our Company, he worked with Syndicate Bank and practiced as an advocate. He has been associated with our Company since June 1, 2005 and is the head of the legal department of our Company. The remuneration paid to him in Fiscal 2012 was ₹ 0.66 million.

Mr. K. Prabhu, aged 31 years, is the Company Secretary and Compliance Officer of our Company and holds a bachelor's degree in commerce and a master's degree in business administration from Bharathiar University. He is an associate member of the Institute of Company Secretaries of India. He has approximately 3 years of experience in the housing finance sector. He has been associated with our Company since December 10, 2008. He is in charge of corporate and secretarial compliance of our Company. The remuneration paid to him in Fiscal 2012 was ₹ 0.64 million.

Mr. S. Shenbagaraj, aged 43 years, is an assistant general manager of our Company and holds a bachelor's degree in science (mathematics) from Kamaraj University, Madurai and diploma in systems management from National Institute of Information Technology. He has been associated with our Promoter since April 10, 1996 and data processing division of the Promoter since 2003. On January 7, 2006, he was posted to our Company on deputation from our Promoter. He is in charge of information technology department in our Company. The remuneration paid to him in Fiscal 2012 was ₹ 0.62 million.

Mr. K. S. Madhukar, aged 55 years, is a deputy general manager of our Company and is in charge of the inspection department and also supports the credit department in evaluating credit proposals. He holds a bachelor's degree in science (agriculture) from University of Agricultural Sciences, Bangalore. Prior to joining our Company, he worked with Syndicate Bank. He was appointed as senior chief manager of our Company on April 23, 2008. The remuneration paid to him in Fiscal 2012 was ₹ 0.68 million.

Except for, Mr. S. Shenbagaraj and Mr. R. Varadarajan, all key managerial personnel are permanent employees of our Company. There is no specific tenure of any of our key managerial personnel.

Mr. V. Raghu and Mr. P. Natarajan who are designated as executive directors are not on the Board of our Company.

None of the key managerial personnel are related to each other.

Shareholding of key managerial personnel

None of the key managerial personnel hold any Equity Shares in our Company.

Bonus or profit sharing plan of the key managerial personnel

The performance incentives payable to our designated executive director(s) who are currently not the Directors on the Board of our Company is as mentioned below:

Mr. V. Raghu and Mr. P. Natarajan are entitled to performance incentive of 0.5% of net profit of our Company subject to a maximum of ₹ 0.3 million per annum, respectively.

Other than as mentioned above and performance incentives payable to our Managing Director, there is no bonus or profit sharing plan for our key managerial personnel.

Interests of key managerial personnel

The key managerial personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business. None of the key managerial personnel have been paid any consideration or benefit of any nature from our Company, other than their remuneration.

Changes in the key managerial personnel

Except as provided below, there have been no changes in our key managerial personnel during the last three years.

Sr. No	Name of key managerial personnel	Date of Appointment/Cessation	Reason
1.	Mr. M. Balasubramanian	September 30, 2010	Resignation
2.	Mr. R. Varadarajan	October 1, 2010	Appointment
3.	Mr. K. Dhiwakaran	August 17, 2012	Resignation
4.	Mr. P. Natarajan	August 29, 2012	Appointment
5.	Mr. V. Raghu	November 1, 2012	Appointment

Payment or Benefit to officers of our Company (non-salary related)

Other than as disclosed in this Red Herring Prospectus, no amount or benefit has been paid within the two preceding years or is intended to be paid or given to any of our Company's officers including the Directors and key managerial personnel, including benefits in kind for all capacities and contingent or deferred compensation.

OUR PROMOTER AND GROUP ENTITIES

Our Promoter, Repco Bank Limited

The promoter of our Company is The Repatriates Co-operative Finance and Development Bank Limited. Our Promoter was registered as a cooperative society on September 9, 1969 under the Madras Cooperative Societies Act, 1961. The operations of our Promoter extend to the states of Tamil Nadu, Andhra Pradesh, Karnataka and Kerala and the Union Territory of Puducherry. With the enactment of the Multi-State Cooperative Societies Act, 2002 and in accordance with the relevant provisions thereof, our Promoter is deemed to be registered under the Multi-State Cooperative Societies Act, 2002 and the bye-laws of the Promoter were amended and registered under the Multi-State Cooperative Societies Act, 2002 on June 10, 2009. The registration number of the Promoter is XR-1.

Our Promoter was established to help and promote the rehabilitation of repatriates from Sri Lanka, Myanmar, Vietnam and other countries. The management of our Promoter vests in its board of directors. Two of the directors of our Promoter are representatives of the Government of India. As on December 31, 2012, the total authorised capital of our Promoter is ₹ 5,002.5 million divided into ₹ 5,000 million for class 'A' shares and ₹ 2.5 million for class 'B' shares, against which the amount of subscribed and paid-up capital is ₹ 993.31 million for 'A' class shares and ₹ 2.28 million for 'B' class shares.

The registered office of our Promoter is located at Repco Tower, No. 33, North Usman Road, T. Nagar, Chennai 600 017, Tamil Nadu.

Shareholding Pattern

The shareholding pattern of our Promoter as on December 31, 2012 is as follows:

Sr. No.	Name of shareholder	No. of class 'A' shares held*	Class 'A' share capital (in ₹ million)	Percentage shareholding**
1.	Government of India	763,200	763.2	76.83
2.	Government of Tamil Nadu	30,300	30.3	3.05
3.	Government of Andhra Pradesh	17,965	17.97	1.81
4.	Government of Kerala	6,116	6.12	0.62
5.	Government of Karnataka	1,747	1.75	0.18
	Government Total	**819,328**	**819.33**	**82.49**
1.	Repatriates	69,59,187	173.98	17.51
Total		**7,778,515**	**993.31**	**100.00**

* *The face value for Class 'A' shares for government shareholders is ₹1,000 per share and the face value of Class 'A' shares held by repatriates is ₹25 per share*

** *The percentage shareholding is calculated on the basis of class 'A' share capital and not the number of class 'A' shares*

The promoter of Repco Bank Limited is the Government of India.

Board of Directors

The board of directors of Repco Bank Limited as on December 31, 2012 comprises the following persons:

Sr. No.	Name	Designation
1.	Dr. A.C. Mohandas, Chairman, Secretary to Government, Public and Rehabilitation Department, Government of Tamil Nadu	Chairman
2.	Mr. R. Varadarajan	Managing Director
3.	Mrs. Latha Krishna Rau	Director

Sr. No.	Name	Designation
	Principal Secretary to Government Revenue Department Government of Karnataka	
4.	Mrs. Nivedita P. Haran Additional Secretary to Government, Labour & Rehabilitation Department Government of Kerala	Director
5.	Mr. K. Deenabandhu Principal Secretary/Commissioner of Rehabilitation Government of Tamil Nadu	Director
6.	Mr. A. Viswanathan	Director
7.	Mr. C. Thangaraju (Repatriates Director)	Director
8.	Mr. P. Mahalingam (Repatriates Director)	Director
9.	Mr. S.C. Panda Additional Secretary and Financial Advisor Ministry of Home Affairs	Director
10.	Mr. K. Rajendran Executive Director	Director

There has been no change in control of Repco Bank Limited during the last three years preceding the date of this Red Herring Prospectus.

The changes in the board of directors of Repco Bank Limited during the last three years preceding the date of this Red Herring Prospectus are as follows:

Sr. No.	Name of Director	Date of Appointment/Cessation	Reason
1.	Mr. C.K. Viswanathan	April 30, 2010	Resignation
2.	Ms. Valsalakumari	May 2, 2010	Appointment
3.	Mr. S. Narayanasamy	June 20, 2010	Resignation
4.	Mr. Madhu	June 21, 2010	Appointment
5.	Mr. Jothi Jagarajan	September 19, 2010	Resignation
6.	Mr. Karuthaiah Pandian	September 20, 2010	Appointment
7.	Mr. M. Balasubramaniam	September 30, 2010	Resignation
8.	Mr. A.K. Goyal	January 31, 2011	Resignation
9.	Mr. Madhu	February 28, 2011	Resignation
10.	Mr. Ashok Kumar C Manoli	March 1, 2011	Appointment
11.	Ms. Valsalakumari	March 31, 2011	Resignation
12.	Mr. Mutia Kalaivanan	May 31, 2011	Resignation
13.	Mr. Karuthaiah Pandian	May 31, 2011	Resignation
14.	Mr. R.R. Jha	May 2, 2011	Appointment
15.	Mr. Kumar Jayant	June 1, 2011	Appointment
16.	Mr. K. Deenabandhu	June 1, 2011	Appointment
17.	Mr. Anil Xavier	June 1, 2011	Appointment
18.	Dr. Vishwapati Trivedi	November 24, 2011	Resignation
19.	Mr. S.C. Panda	January 18, 2012	Appointment
20.	Mr. K. Rajendran	August 4, 2012	Appointment

Sr. No.	Name of Director	Date of Appointment/Cessation	Reason
21.	Mr. Ashok Kumar C. Manoli	September 30, 2012	Resignation
22.	Mrs. Latha Krishna Rau	October 1, 2012	Appointment
23.	Mr. Kumar Jayant	October 10, 2012	Resignation
24.	Dr. A.C. Mohandas	October 11, 2012	Appointment
25.	Mr. Anil Xavier	October 19, 2012	Resignation
26.	Mrs. Nivedita P. Haran	October 20, 2012	Appointment
27.	Mr. R.R. Jha	October 31, 2012	Resignation

Significant notes of auditors in last three Fiscals

There are no significant notes of the auditors for last three Fiscals.

Confirmations

Our Company confirms that the PAN, bank account number, registration number and the address of the registrar of societies where our Promoter is registered were submitted to the Stock Exchanges at the time of filing of the DRHP with them. Our Promoter has not made any public issue in the last three years.

We confirm that our Promoter is not under winding up and does not have negative net worth.

Promoter Group

Other than the Group Entities of our Promoter, there are no entities which form a part of our Promoter Group.

Group Entities

The entities which comprise our Group Entities are as follows:

1. Repco Infrastructure Development Company Limited ("**RIDCL**");
2. Repco MSME Development & Finance Limited ("**Repco MSME**");
3. Repco Foundation for Micro Credit; and
4. Repatriates Welfare Trust.

Our Group Entities have not undertaken any public or rights issue in the three years preceding this Red Herring Prospectus and none of the securities of our Group Entities are listed on any Stock Exchange.

Details of our Group Entities are provided below.

1. RIDCL

RIDCL was incorporated on July 18, 2008 under the Companies Act as a public limited company and received its certificate of commencement of business on July 31, 2008. Its registered office is located at Repco Tower, No. 33, North Usman Road, T. Nagar, Chennai 600 017, Tamil Nadu. It is engaged in the business of carrying out repairs and renovation in relation to existing infrastructure. The company identification number of RIDCL is U45300TN2008PLC068612.

The board of directors of RIDCL comprises the following persons:

1. Mr. R. Varadarajan
2. Mr. V. Sivaiah
3. Mr. K. Ashok

As of December 31, 2012, the shareholding of RIDCL was as follows:

Sr. No.	Name of shareholder	No. of equity shares (of ₹ 10 each) held	Percentage of shareholding
1.	Repco Bank Limited	52,000	50.98
2.	Repco Home Finance Limited	50,000	49.02
Total		102,000	100.00

Financial Performance

(in ₹ thousand except per share data)

Particulars	Fiscal 2012	Fiscal 2011	Fiscal 2010
Equity share capital	1,020	1,020	1,020
Reserves and surplus (excluding revaluation reserves)	(70.41)	15.6	9.16
Total income	-	205	501.62
Profit after tax	(86.01)	6.44	4.17
Earnings per share & diluted earnings per share	(0.84)	0.06	0.09
Net asset value	9.31	10.15	10.09

Significant notes of auditors in last three Fiscals:

There are no significant notes of the auditors for last three Fiscals.

2. Repco MSME

Repco MSME was incorporated as a private limited company on June 27, 2007 under the Companies Act and on February 12, 2010 was registered with RBI as a non-banking financial institution company, not accepting public deposits. It received its certificate of commencement of business on March 9, 2010 and is engaged in the business of extending credit assistance with focused attention on micro credit and on the medium and small enterprises sectors. Its registered office is located at Repco Tower, No. 33, North Usman Road, T. Nagar, Chennai 600 017, Tamil Nadu. The company identification number is U74900TN2007PLC064126.

The board of directors of Repco MSME comprises the following persons:

1. Mr. R. Varadarajan
2. Mr. T.E. Thiruvengadam
3. Mr. K. Rajendran
4. Mr. P. Mahalingam
5. Mr. P. Natarajan
6. Mr. A.G. Venkatachalam

As of December 31, 2012, the shareholding of Repco MSME was as follows:

Sr. No.	Name of shareholder	No. of equity shares (of ₹ 10 each) held	Percentage of shareholding
1.	Repco Bank Limited	10,000,000	55.56
2.	Repco Home Finance Limited	8,000,000	44.44
Total		18,000,000	100.00

Financial Performance

(in ₹million except per share data)

Particulars	Fiscal 2012	Fiscal 2011	Fiscal 2010
Equity share capital	180	120	100
Reserves and surplus (excluding revaluation reserves)	11.47	7.75	(0.07)
Total Income	138.11	40.49	0.89
Profit after tax	3.72	7.83	0.59
Earnings per share & diluted earnings per share	0.30	0.65	0.23
Net asset value	10.64	10.64	10.00

Significant notes of auditors in last three Fiscals:

There are no significant notes of the auditors for last three Fiscals.

3. Repco Foundation for Micro Credit

Repco Foundation for Micro Credit is an NGO registered under section 25 of the Companies Act. It was incorporated on September 2, 2005. It is a not for profit entity for extending supporting services to self help groups financed by Repco Bank Limited, with the sole objective of increasing income levels, poverty alleviation and empowerment of the poor.

Its registered office is located at Repco Tower, No. 33, North Usman Road, T. Nagar, Chennai 600 017, Tamil Nadu. The company identification number is U65929TN2005NPL057394.

The trustees of Repco Foundation for Micro Credit comprise the following persons:

1. Mr. R. Varadarajan
2. Mr. K. Rajendran
3. Mr. T.E. Thiruvenkadam
4. Mr. V. Sivaiah
5. Mr. K. Namasivayam
6. Mr. A.G. Venkatachalam

Financial Performance

(in ₹million except per share data)

Particulars	Fiscal 2012	Fiscal 2011	Fiscal 2010
Equity share capital	Not applicable	Not applicable	Not applicable
Reserves and surplus (excluding revaluation reserves)	0.94	7.01	6.95
Income	39.86	28.22	26.01
Excess of income over expenditure	8.45	0.06	2.79
Earnings per share & diluted earnings per share	Not applicable	Not applicable	Not applicable
Net asset value	Not applicable	Not applicable	Not applicable

Significant notes of auditors in last three Fiscals:

There are no significant notes of the auditors for last three Fiscals.

4. Repatriates Welfare Trust

Repatriates Welfare Trust was established by a deed of trust on November 19, 2007 with a corpus of ₹ 500,000 by our Promoter, who is the sole author of the trust. The registered office of the trust is situated at Repco Tower, No. 33, North Usman Nagar, T. Nagar, Chennai 600 017. The trust is engaged in various welfare activities for specified repatriates.

The following individuals are trustees of the Repatriates Welfare Trust:

1. Mr. R. Varadarajan
2. Mr. K. Rajendran
3. Ms. R. S. Isabella
4. Mr. P. Natarajan
5. Mr. K. Namasivayam
6. Mr. R. Kumaresan
7. Mr. C. Thangaraju
8. Mr. P. Mahalingam
9. Mr. M. Chandrasekaran
10. Mr. K. M. Ratnam
11. Mr. E. Santhanam

Financial Performance

(in ₹ million)

Sr. No.	Particulars	Fiscal 2012	Fiscal 2011	Fiscal 2010
1.	Corpus fund	3.00	3.00	0.50
2.	Reserves and surplus	0.70	0.44	0.24
3.	Total income	13.60	9.53	6.12
4.	Excess of income over expenditure	0.26	0.20	(0.54)

Significant notes of auditors in last three Fiscals:

There are no significant notes of the auditors for last three Fiscals.

Interests of our Promoter and Group Entities

Four directors of our Promoter are also on the Board of our Company.

The interests of our Promoter in our Company include its shareholding in our Company, the dividend declared by our Company, loans extended to us and interest paid thereon by our Company, and rent from properties leased to our Company. Except as stated in the paragraph titled "*Related Party Disclosures*" in the section titled "*Financial Information*" on page F-35, our Promoter and Group Entities have no business interest in our Company. Further, our Promoter and Group Entities confirm that they have no interest in the property acquired by our Company during the last two years prior to the date of filing of the DRHP.

Except as stated in the paragraph titled "*Related Party Disclosures*" in the section titled "*Financial Information*" on page F-35, our Promoter is not directly or indirectly interested in any contract, agreement or arrangement entered into by our Company, and no payments have been made or proposed to be made by our Promoter in respect of such contracts, agreements or arrangements entered into by our Company.

Payment or benefits to our Promoter

Except as stated in the paragraph titled *"Related Party Disclosures"* in the section titled "*Financial Information*" on page F-35, there has been no payment or benefits to our Promoter or Group Entities during the last two years prior to the date of filing of the DRHP.

Disassociation by our Promoter:

Our Promoter has not disassociated from any company in the last three years preceding the date of the DRHP.

Other Confirmations

Our Promoter and Group Entities have confirmed that they have not been declared as wilful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are currently pending against them.

Furthermore, none of (i) our Promoter or Group Entities; or (ii) the companies with which the Promoter is or was associated as a promoter or person in control, are debarred or prohibited from accessing the capital markets 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.

Neither our Promoter nor any of our Group Entities have become sick companies under the Sick Industrial Companies Act, 1985 and no winding up proceedings have been initiated against them. Further no application has been made, in respect of any of the Group Entities, to the Registrar of Companies for striking off their names. Additionally, neither our Promoter nor any of our Group Entities have become defunct in the five years preceding the filing of the DRHP.

Litigation

For details relating to the legal proceedings involving our Promoter and Group Entities, please see the section titled *"Outstanding Litigation and Material Developments"* beginning on page 169.

Common Pursuits

Our Promoter has similar objects clauses as our Company in their respective memorandum of association, and may engage in the housing finance business and hence, may compete with us to the extent permitted.

DIVIDEND POLICY

Our Company does not have any formal dividend policy. The declaration and payment of dividend is governed by the applicable provisions of the Companies Act and the Articles and will depend on a number of factors, including the results of operations, financial condition, capital requirements and surplus, contractual restrictions and other factors considered relevant by our Board.

The equity share capital of and dividends declared by our Company in each of the Fiscals 2012, 2011, 2010, 2009 and 2008 as per our restated financial statements are as given below:

Particulars	**Fiscal**				
	2012	**2011**	**2010**	**2009**	**2008**
Equity share capital (₹ in million)	464.41	464.41	464.41	386.04	386.04
Face value per share (₹)	10	10	10	10	10
Dividend (in ₹ per share)	1.10	1.00	1.00	0.80	0.80
Dividend (₹ in million)	51.08	46.44	46.44	30.88	31.71
Dividend tax (₹in million)	8.29	7.53	7.89	5.25	5.39
Rate of dividend (%)	11	10	10	8	8

The amount paid as dividend in the past is not necessarily indicative of the dividend policy or dividend amount, if any, in the future.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

AUDITOR’S REPORT ON THE RESTATED FINANCIAL STATEMENTS

To

The Board of Directors,
Repco Home Finance Limited
Repco Tower
No. 33 North Usman Road
T. Nagar
Chennai 600 017

Dear Sirs,

1. We have examined the financial information of Repco Home Finance Limited (“**the Company**”), for the financial years ended March 31, 2012, 2011, 2010, 2009, 2008, the half year ended September 30, 2011 and half year ended September 30, 2012 as attached to this report, stamped and initialed by us for identification and as approved by the Board of Directors of the Company, prepared in terms of the requirements of:

   a. Paragraph B(1) of Part II of Schedule II to the Companies Act, 1956 (“**the Act**”);
   b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (“**SEBI ICDR Regulations**”); and
   c. The terms of the engagement agreed upon by us with the Company in accordance with our engagement letter in connection with its proposed Initial Public Offer of Equity Shares (“**IPO**”).

2. The financial information is based on the audited financial statements of the Company for the years ended March 31, 2012, 2011, 2010, 2009, 2008 and for the half year ended September 30, 2011 and September 30, 2012.

3. The financial information has been prepared for the purpose of inclusion in the Red Herring Prospectus (“**RHP**”) in connection with the IPO of the Company.

4. In accordance with the requirements of Paragraph B of Part II of Schedule II of the Companies Act, 1956, the SEBI ICDR Regulations and terms of our engagement agreed with you, we further report that:

   The Summary Statement of Assets and Liabilities, as restated, Summary Statement of Profit and Loss, as restated and Summary Statement of Cash Flows, as restated (“**Restated Financial Statements**”) of the Company as at and for the year ended March 31, 2012, 2011, 2010, 2009, 2008, half year ended September 30, 2011 and half year ended September 30, 2012 examined by us, as set out in Annexure I, II, III respectively to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Summary of Significant Accounting Policies & Notes to Accounts and Restatements, as appearing in Annexure IV and V and collectively referred to as “**Restated Summary Statements**”.

5. Other Financial information

   We have examined the following financial information of the Company which is based on the Restated Financial Statements and as approved by the Board of Directors and attached in Annexure V to XVII to this report as listed hereunder:

   a) Annexure VI - Statement of Dividend Declared, as Restated
   b) Annexure VII - Statement of Accounting Ratios, as Restated
   c) Annexure VIII - Statement of Long Term Borrowings, as Restated
   d) Annexure IX - Statement of Long Term Provisions, as Restated
   e) Annexure X - Statement of Short Term Borrowings as Restated
   f) Annexure XI - Statement of Other Current Liabilities, as Restated
   g) Annexure XII - Statement of Short Term Provisions, as Restated

h) Annexure XIII - Statement of Non current Investments, as Restated
i) Annexure XIV - Statement of Long Term Loans and Advances, as Restated.
j) Annexure XV - Statement of Short Term Loans and Advances, as Restated.
k) Annexure XVI - Statement of Other Current Assets, as Restated.
l) Annexure XVII - Statement of Other income, as Restated.
m) Annexure XVIII - Capitalization Statement of the Company
n) Annexure XIX - Statement of Tax Shelters, as Restated.
o) Annexure XX - Statement of Change in Share Capital, as Restated
k) Annexure XXI - Statement of Reserves and Surplus, as Restated
l) Annexure XXII - Statement of Related Party Disclosures, as Restated
m) Annexure XXIII - Statement of Contingent Liabilities, as Restated

6. Based on our examination of the financial information of the Company attached to this report, we state that in our opinion, the "Summary Restated Statements" and "Other Financial Information" mentioned above, as at and for the year ended March 31, 2012, 2011, 2010, 2009, 2008, for the half year ended September 30, 2011 and for the half year ended September 30, 2012 have been prepared in accordance with paragraph B(1) of Part II of Schedule II of the Act and the SEBI ICDR Regulations.

7. Based on our examination of the Summary Restated Statements, we confirm the following:

   i) Adjustments for material prior period items have been made in the respective financial years to which they relate; and
   ii) Adjustments/regroupings have been made, which were appropriate in our opinion
   iii) There are no extraordinary items that need to be disclosed separately.
   iv) There are no audit qualifications that require adjustments to the Restated Summary Statements.
   v) No adjustments/rectifications for incorrect accounting practices or failures to make provisions were required.
   vi) Changes in accounting policies have been adjusted and restated wherever applicable.

8. This report should not be in any way be constructed as a reissuance or redating of any of the previous audit reports issued by us, nor should this report be constructed as a new opinion on any of the financial statements referred to herein.

9. We did not perform audit tests for the purposes of expressing an opinion on individual balances or summaries of selected transactions, and accordingly, we express no such opinion thereon.

10. This report is intended solely for your information and for inclusion in the Offer Documents in connection with the IPO of the Company and is not to be used, referred to, or distributed for any other purpose without our prior written consent.

For R. Subramanian and Company.
Chartered Accountants
FRN 004137s

N. Krishna Murthy
Partner
M. No.: 19339

Place: Chennai
Date: February 4, 2013

ANNEXURE I – SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(₹ in million)

Particulars	As at 30 September		As at 31March				
	2012	2011	2012	2011	2010	2009	2008
I. EQUITY AND LIABILITIES							
(1) Shareholder's Funds							
(a) Share Capital	464.41	464.41	464.41	464.42	464.42	788.28	788.28
(b) Reserves and Surplus	2,924.37	2,275.18	2,568.22	1,951.95	1,439.89	730.68	538.93
(2) Non-Current Liabilities							
(a) Long-term borrowings	19,684.21	15,143.76	17,702.13	13,064.15	9,057.31	6,945.53	4,054.08
(b) Long term provisions	304.89	206.02	246.18	148.83	102.52	70.51	49.49
(3) Current Liabilities							
(a) Short-term borrowings	3,066.61	2,840.11	2,405.15	2,430.31	1,639.22	0.00	779.40
(b) Other current liabilities							
-Current maturities of long term borrowings	4,601.94	3,313.52	4,753.15	2,603.47	1,880.56	1,547.43	918.96
- Others	427.54	351.36	288.21	247.44	156.25	165.54	97.02
(d) Short-term provisions	16.53	5.10	80.44	62.19	87.71	68.81	46.92
TOTAL EQUITY AND LIABILITIES (I)	**31,490.50**	**24,599.46**	**28,507.89**	**20,972.76**	**14,827.88**	**10,316.78**	**7,273.08**
II. ASSETS							
(1) Non-current assets							
(a) Fixed assets							
(i) Tangible assets	31.06	29.28	31.59	27.91	14.66	10.56	9.62
(ii) Intangible assets	1.34	2.38	1.59	2.06	2.68	0.00	0.00
(b) Non-current investments	80.50	20.50	80.50	20.50	20.50	0.50	0.00
(c) Deferred tax assets (net)	97.67	70.94	79.30	27.56	18.53	11.58	11.52
(d) Long term loans and advances	29,071.13	22,863.24	26,291.11	19,339.52	13,072.55	9,310.29	6,136.38
(2) Current assets							
(a) Current Investment	0.00	0.00	0.00	0.00	0.00	10.74	33.15
(b) Cash and Bank Balances	165.58	92.16	175.02	84.55	641.81	345.54	652.78
(c) Short-term loans and advances	1,957.12	1,454.55	1,779.61	1,418.71	1,021.38	603.65	418.20
(d) Other current assets	86.10	66.41	69.17	51.95	35.77	23.92	11.43
TOTAL ASSETS (II)	**31,490.50**	**24,599.46**	**28,507.89**	**20,972.76**	**14,827.88**	**10,316.78**	**7,273.08**

ANNEXURE II – SUMMARY STATEMENT OF PROFIT & LOSS, AS RESTATED

(₹ in million except per share)

Particulars	**For the half year ended 30 September**		**For the year ended 31 March**				
	2012	**2011**	**2012**	**2011**	**2010**	**2009**	**2008**
III. INCOME							
(2) Revenue from operations	1,888.00	1,454.70	3,188.15	2,255.37	1,635.41	1,127.45	688.63
(2) Other Income	0.41	0.41	0.71	4.14	6.86	20.74	25.25
TOTAL INCOME (III)	**1,888.41**	**1,455.11**	**3,188.86**	**2,259.51**	**1,642.27**	**1,148.19**	**713.88**
IV. EXPENDITURE							
(1) Interest and other Financial Charges	1,253.98	919.43	2,023.10	1,278.67	905.33	696.48	425.16
(2) Employee benefit expense	57.51	45.69	105.05	72.20	47.63	35.92	22.66
(3) Depreciation and amortization expense	6.22	5.44	16.17	15.73	7.41	4.37	2.61
(4) Other expenses	33.99	29.46	72.88	61.73	38.82	30.85	44.94
(5) Provision for Non-Performing Assets	48.03	40.92	63.53	16.12	12.10	5.77	(3.36)
(6) Provision for Standard Assets	11.11	14.32	30.42	28.46	18.78	15.12	8.49
(7) Provision for Diminution in Value of Investment	0.00	0.00	0.00	0.00	(6.15)	0.56	2.23
(8) Bad-Debts Written Off	0.00	0.00	0.39	9.59	10.61	5.78	1.44
TOTAL EXPENDITURE (IV)	**1,410.84**	**1,055.26**	**2,311.54**	**1,482.50**	**1,034.53**	**794.85**	**504.17**
V. PROFIT BEFORE TAX ((V) = (III) – (IV))	**477.57**	**399.85**	**877.32**	**777.01**	**607.74**	**353.34**	**209.71**
VI. TAX EXPENSE							
(1) Current tax	139.80	120.00	253.40	220.00	175.00	101.00	60.00
(2) Fringe Benefit tax	0.00	0.00	0.00	0.00	0.00	1.00	0.40
(3) Deferred tax	(18.37)	(43.38)	(51.72)	(9.03)	(6.95)	(0.08)	(1.56)
VII. NET PROFIT/(LOSS) FOR THE PERIOD (VII)	356.14	323.23	675.64	566.04	439.69	251.42	150.87
VIII. EARNINGS PER EQUITY SHARE							
Weighted average no. of shares outstanding during the period	46.44	46.44	46.44	46.44	43.84	38.60	32.23
Basic Earnings per Share	7.67	6.96	14.55	12.19	10.03	6.51	4.68
Diluted Earnings Per Share	7.67	6.96	14.55	12.19	10.03	5.44	4.41
Nominal Value per Equity Share	10	10	10	10	10	10	10

ANNEXURE III – SUMMARY STATEMENT OF CASH FLOW, AS RESTATED

(₹ in million)

Particulars	For the half year ended 30 September		For the year ended March 31				
	2012	**2011**	**2012**	**2011**	**2010**	**2009**	**2008**
IV. CASH FLOW FROM OPERATING ACTIVITIES							
Net Profit before tax as restated	**477.57**	**399.85**	**877.32**	**777.01**	**607.74**	**353.34**	**209.71**
Adjustment for :							
Depreciation	6.22	5.44	16.17	15.73	7.41	4.37	2.61
Provision for Non-Performing Assets	48.03	40.92	63.53	16.12	12.1	5.77	(3.36)
Provision for Standard Assets	11.11	14.32	30.42	28.46	18.78	15.12	8.49
Provision for Dimunition in Value of Investments	0.00	0.00	0.00	0.00	(6.15)	0.56	2.23
(Profit) / Loss on Sale of Fixed Assets	(0.27)	0.00	(0.02)	(0.14)	0.07	0.00	0.00
(Profit) / Loss on Sale of Investments	0.00	0.00	0.00	0.00	0.66	11.21	(14.86)
Interest Received	(0.14)	(0.41)	(0.68)	(4.00)	(7.04)	(31.76)	(9.8)
Dividend Received	0.00	0.00	0.00	0.00	(0.48)	(0.19)	(0.59)
Operating Profit before Working Capital Changes	**542.52**	**460.12**	**986.74**	**833.18**	**633.09**	**358.42**	**194.43**
Adjustment for :							
Current Assets and Loans and Advances	(17.97)	(22.28)	(64.78)	(45.73)	(34.34)	(21.49)	(5.65)
Current Liabilities	104.70	76.53	(17.72)	68.5	(53.86)	6.06	11.39
Cash Generated from Operations	629.25	514.37	904.24	855.95	544.89	342.99	200.17
Direct Taxes	(133.64)	(120.83)	(245.46)	(246.64)	(155.35)	(97.52)	(64.2)
Net cash from/(used in) operating activities (I)	**495.61**	**393.54**	**658.78**	**609.31**	**389.54**	**245.47**	**135.97**
V. CASH FLOW FROM INVESTING ACTIVITIES							
Purchase of Fixed Assets	(5.52)	(7.13)	(19.39)	(28.78)	(14.28)	(5.33)	(3.67)
Sale of Fixed Assets	0.34	0.00	0.04	0.56	0.03	0.00	0.27
Purchase of Investments	0.00	0.00	(60.00)	0.00	(20.00)	(0.50)	(86.85)
Sale of Investments	0.00	0.00	0.00	0.00	16.23	10.64	104.87
Interest on Deposits	0.14	0.41	0.68	4.00	7.04	31.76	9.80
(Increase)/Decrease in Deposits	0.00	0.00	0.00	0.01	(0.01)	242.66	(242.72)
Dividend Received	0.00	0.00	0.00	0.00	0.48	0.19	0.59
Net cash from/(used in) investing activities (II)	**(5.04)**	**(6.72)**	**(78.67)**	**(24.21)**	**(10.51)**	**279.42**	**(217.71)**
VI. CASH FLOW FROM FINANCING ACTIVITIES							
Proceeds from Issue of Share Capital	0.00	(0.01)	(0.01)	0	0	0	763.60

Increase in Secured & Unsecured Loans	2,515.84	3,226.52	6,829.29	5,547.15	4,132.25	2,804.10	1,887.75
Increase in Housing Loans	(2,956.48)	(3,551.74)	(7,264.94)	(6,635.18)	(4,155.35)	(3,350.34)	(2,131.48)
Dividends Paid	(59.37)	(53.98)	(53.98)	(54.33)	(59.66)	(43.23)	(43.87)
Net cash from/(used in) financing activities (III)	**(500.01)**	**(379.21)**	**(489.63)**	**(1,142.36)**	**(82.76)**	**(589.47)**	**476.02**
Net (Decrease) / Increase in Cash & Cash Equivalents (I+II+III)	**(9.44)**	**7.61**	**90.48**	**(557.26)**	**296.27**	**(64.57)**	**394.27**
Cash & Cash Equivalents at Beginning of Year (IV)	174.88	84.40	84.4	641.66	345.39	409.96	15.69
Cash & Cash Equivalents at End of Year (V)	165.44	92.01	174.88	84.4	641.66	345.39	409.96
Net (Decrease) / Increase in Cash & Cash Equivalents (V - IV)	**(9.44)**	**7.61**	**90.48**	**(557.26)**	**296.27**	**(64.57)**	**394.27**

ANNEXURE IV– SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS, AS RESTATED

SIGNIFICANT ACCOUNTING POLICIES

1. Basis Of Preparation

The financial statements are prepared and presented under the historical cost convention in accordance with the Generally Accepted Accounting Principles (GAAP), and provisions of the Companies Act, 1956 and accounting standards issued by the Institute of Chartered Accountants of India (ICAI) as applicable. The Company also follows the guidelines / directions prescribed by the National Housing Bank (NHB) for housing finance companies.

2. Income Recognition

a. Interest income on Individual Home Loans and Loans against Property and other dues are accounted on accrual basis. Individual Home Loans and Loans against Property are classified into "Standard assets" and "Non-performing assets" in terms of the guideline / directions issued by the NHB from time to time. Income recognition on non-performing advances are made in accordance with the NHB guidelines.

b. Insurance commission income, if any, in respect of life products marketed by the Company/ penal and other charges are accounted on realization.

3. Interest On Housing Loans

Repayment of Housing Loans are by way of Equated Monthly Installments (EMIs) comprising principal and interest. The interest is calculated on the outstanding balances at the beginning of the month. EMI's commence once the entire loan is disbursed. Pending commencement of EMI, pre-equated monthly installment interest (PEMI) is payable every month.

4. Fixed Assets And Depreciation

a. Fixed Assets are stated at cost. Depreciation on fixed assets is provided on pro-rata basis from the date of installation on written down value method in accordance with Schedule XIV of the Companies Act, 1956.

b. Assets costing upto ₹ 5,000/- are being depreciated fully in the year acquisition.

5. Provision For Standard Assets/Non Performing Assets

Advances are classified into Standard Assets and Non Performing Assets. Further Non-performing assets are categorized into Sub-standard, Doubtful and Loss category based on the guidelines and directions issued by NHB. Provision for Standard assets and Non-performing assets are made in accordance with the NHB guidelines.

6. Investments

Investments are classified as Long Term Investments and Current Investments and are valued in accordance with guidelines of National Housing Bank and Accounting Standards on 'Accounting for Investments' (AS-13), issued by The Institute of Chartered Accountants of India. Current Investments are carried at lower of cost and market value/NAV, computed individually. Long Term Investments are stated at cost. Provision for diminution in the value of Long Term Investments is made only if such decline is other than temporary in the opinion of the management.

7. Employee Benefits

a. Short-term Employee Benefits
Short Term Employee Benefits for Services rendered by employees are recognized during the period when the services are rendered.

b. Post Employment Benefits

I. Defined Contribution Plan
i) Provident Fund:
The Company contributes to a Government-administered Provident Fund in accordance with the provisions of Employees Provident Fund Act.

II. Defined Benefit Plan
i) Gratuity:
The Company makes an annual contribution to Gratuity Fund administered by Trustees and managed by LIC. The Company accounts for its liability based on actuarial valuation, as at Balance Sheet Date, determined every year by LIC using Projected Unit Credit Method.

ii) Leave Encashment:
The Company provides for staff leave encashment based actuarial valuation and has not been funded.

8. Accounting For Taxes On Income

Income tax expense is the aggregate amount of current tax and deferred tax charge. Taxes on income are accrued in the same period as the Revenue and expenses to which they relate. Current tax is determined in accordance with the Income Tax Act 1961, on the amount of tax payable in respect of income for the year.

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences arising between the carrying value of assets and liabilities. Deferred tax assets are recognized only after giving due consideration to prudence. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted (or) substantially enacted by the balance sheet date.

9. Earnings Per Share

The Company reports basic and diluted earnings per equity share in accordance with AS (20) "Earnings per Share" issued by ICAI. Basic earnings per equity share has been computed by dividing net income by the weighted average number of equity shares outstanding for the period. Diluted earnings per equity share has been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

NOTES ON ACCOUNTS

1. *Contingent Liabilities*

a. Commitment towards sanction pending disbursement including part Disbursements as on 31 March 2012 – ₹ 1,545.85 Million (₹ 1,403.13 Million) and ₹ 2,002.07 Million as on 30 September 2012.

b. Claims against the Company not acknowledged as Debts ₹ 2.10 Million (₹ 2.10 Million)

c. No provision is considered in the accounts in respect of disputed Income tax Liability of ₹ 2.04 Million (NIL) as the company has preferred appeals

2. *Deferred Tax*

The components of deferred tax assets and Deferred tax Liabilities as on 31 March 2012 and 31 March 2011 and as on 30 September 2012 and 30 September 2011are as under:

Deferred Tax Assets: **(₹ In Million)**

	As at			
	30 September 2012	**30 September 2011**	**31 March 2012**	**31 March 2011**
Provision for Non Performing/Standard Advances	96.09	69.90	76.90	26.61
Others	2.90	2.50	3.63	1.87
(A)	**98.99**	**72.40**	**80.53**	**28.48**

Deferred Tax Liabilities:

Difference between written down value of Fixed Assets as per Companies Act and as per Income Tax Act. (B)	1.32	1.45	1.24	0.91
Net Deferred Tax Asset (A – B)	**97.67**	**70.95**	**79.29**	**27.57**

3. In the opinion of the Board, all Assets other than Fixed Assets and Non current Investments have a realizable value in the Ordinary course of business which is not different from the amount at which it is stated with the exception of Non performing advances for which requisite provision has been made in accordance with the NHB Guidelines.

4. Classification of Loans and Provisions made for Non-Performing Assets are as under:

(₹ in Million)

	For the year ended 31 March 2012					For the year ended 31 March 2011				
	Standard	**Sub-Standard**	**Doubtful**	**Loss**	**Total**	**Standard**	**Sub-Standard**	**Doubtful**	**Loss**	**Total**
Housing Loans										
Individual house ownership	23,770.28	175.96	161.27	--	24,107.51	17,431.20	137.77	73.13	--	17,642.10
Mortgage/other loans	3,868.27	24.80	20.97	--	3,914.04	3,052.12	22.60	18.40	--	3,093.12
Total Loans	27,638.55	200.76	182.24	--	28,021.55	20,483.32	160.37	91.53		20,735.22
Provision-Housing loans	95.08	26.54	75.74	--	197.36	69.72	20.67	24.67	--	115.06
Provision other loans	23.81	3.72	12.12	--	39.65	18.76	3.39	5.87	--	28.02
Total Provisions	118.89	30.26	87.86	--	237.01	88.48	24.06	30.54	--	143.08

(₹ in Million)

	For the half year ended 30 September 2012					For the half year ended 30 September 2011				
	Standard	**Sub-Standard**	**Doubtful**	**Loss**	**Total**	**Standard**	**Sub-Standard**	**Doubtful**	**Loss**	**Total**
Housing Loans										

Individual house ownership	26,093.39	351.71	184.17	4.53	26,633.80	20,459.27	269.66	104.97	4.53	20,838.43
Mortgage/other loans	4,228.53	92.08	22.16	1.47	4,344.24	3,399.27	24.32	23.46	1.47	3,448.52
Total Loans	30,321.91	443.79	206.33	6.00	30,978.04	23,858.54	293.98	128.43	6.00	24,286.95
Provision-Housing loans	104.41	52.76	82.26	4.53	243.96	81.84	40.45	36.96	4.53	163.78
Provision other loans	25.58	13.82	11.33	1.47	52.20	20.96	3.65	8.45	1.57	34.63
Total Provisions	129.99	66.58	93.59	6.00	296.16	102.80	44.10	45.41	6.00	198.31

5. Pursuant to the NHB Circulars dated 05th August 2011 and 19th January 2012 on Provisioning norms the Company has changed its Provision Policy relating to Non performing advances in accordance with the Provisioning requirements of NHB. Further the provision towards Standard assets is made as per the amended provisioning requirements of NHB.

6. Pursuant to the Enquiry /Investigation carried out by the Central Bureau of Investigation (CBI) against Erstwhile Managing Director and also Erstwhile Executive Director of the Company in regard to amount/remuneration identified as excess, the company has initiated steps for recovery and the status of the same is as under:-

   (i) As regards Amount Recoverable from the Erstwhile Managing Director amounting to ₹ 8.97 Million (Including notional loss of interest of ₹ 0.32 Million) the same is yet to be recovered. No adjustments have been carried out in respect of the same.

   (ii) As regards Amount recoverable from Erstwhile Executive Director amounting to ₹ 0.46 Million (including notional loss of interest of ₹ 0.13 Million) the same has been recovered /adjusted out of the retirement benefits during the year ended 31 March 2012. While the notional loss of interest is credited to interest others classified under other income the amount of ₹ 0.33 Million recovered is credited to the salary expenses of the year ended 31 March 2012.

7. There are no Micro, Small and Medium Enterprises (MSME) to whom the Company owes dues, which are outstanding for more than 45 days as at 31 March 2012 and as at 30 September 2012. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis at information available with the Company.

8. Earnings/Expenditure incurred in foreign currency for the half year ended 30 September 2012
NIL

9. There are no amounts to be reflected under payable to Investor Protection Fund.

10. Related Party Transactions
Disclosures in terms of AS 18 issued by ICAI are given below:-

List of related parties:

Promoter: Repco Bank

Associates: Repco MSME Development Company Ltd.,
Repco Infrastructure Development Company Ltd.

Company holding substantial interest: First Carlyle Growth VI

Key Management Personnel: Mr. R. Varadarajan, Managing Director

Mr S.V. Balasubramanian, Executive Director (upto 14 February 2012)
Mr. P. Natarajan Executive Director (In charge) from 17 February 2012

The Company's related party balances and transactions are summarized as follows:

(₹ in Million)

Nature of Transaction	Key Management Personnel Managing Director/Executive Director		Promoter REPCO Bank		Company holding substantial interest First Carlyle Growth VI		Associate	
	H1FY13	2011-12	H1FY13	2011-12	H1FY13	2011-12	H1FY13	2011-12
Remuneration Paid to Managing Director	0.82 (0.55)	0.69 (2.36)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)
Remuneration Paid to Executive Director	0.56 (1.25)	2.16* (2.12)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)
Equity Share Capital (Paid-up outstanding)	-- (--)	-- (--)	232.31 (232.31)	232.31 (232.31)	230.81 (230.81)	230.81 (230.82)	-- (--)	-- (--)
Differential Equity Share Capital –	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	0.01 (--)	-- (--)	-- (--)
Cash Credit Outstanding	-- (--)	-- (--)	3066.61 (2840.11)	2,405.15 (2,430.31)	-- (--)	-- (--)	-- (--)	-- (--)
Term Loan Outstanding	-- (--)	-- (--)	16.26 (27.92)	22.26 (33.38)	-- (--)	-- (--)	-- (--)	-- (--)
Rent Paid(Excluding Service tax)	-- (--)	-- (--)	0.86 (0.78)	1.08 (1.19)	-- (--)	-- (--)	-- (--)	-- (--)
Corporate Fee Paid(Excluding Service tax)	-- (--)	-- (--)	0.11 (0.11)	0.22 (0.22)	-- (--)	-- (--)	-- (--)	-- (--)
Interest	-- (--)	0.13 (--)	163.78 (127.97)	255.14 (144.14)	-- (--)	-- (--)	-- (--)	-- (--)
Equity Dividend Proposed	-- (--)	-- (--)	-- (--)	25.55 (23.23)	-- (--)	25.39 (23.08)	-- (--)	-- (--)
Interest earned on deposits	-- (--)	-- (--)	0.14 (0.41)	0.56 (3.01)	-- (--)	-- (--)	-- (--)	-- (--)
Capital Expenditure Paid	-- (--)	-- (--)	-- (--)	-- (4.80)	-- (--)	-- (--)	-- (--)	-- (--)
Investments o/s as at the end of the year	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	80.50 (20.50)	80.50 (20.50)
Professional fee paid	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (0.20)

*Net of recovery of ₹ 0.33 Million

11. The main business of the Company is to provide long term loan financing for Residential purposes in India. Accordingly, there is no separate reportable segment as per Accounting Standard - AS-17 "Segment Reporting", as the company has only one Geographical and Business segment.

12. Earning per share (Basic and Diluted)

(₹ in Million except per share data)

	H1FY13	H1FY12	2011-12	2010-11
(a) Profit for the year after Tax	356.14	323.23	675.64	566.04

(b) Weighted average number of Equity Shares outstanding during the year	46.44	46.44	46.44	46.44
(c) Basic and Diluted Earning per Share*	7.67	6.96	14.55	12.19
(d) Nominal Value per Equity Share	10.00	10.00	10.00	10.00

* Earning per share for the half year ended 30 September 2011 and 30 September 2012 not annualized.

13. During the year 2011-12 the Company has filed Draft Red Herring Prospectus (DRHP) with SEBI on 30 September 2011 and is in the process of completing Initial Public Offering (IPO) of Equity Shares. Expenses incurred in relation to the proposed IPO upto 30 September 2012 aggregating to ₹ 22.97 Million (including ₹ 1 Million paid to the Auditors) have been classified under Short Term loans and Advances and the same will be recognized as expense in the year the in which Public Issue materializes.

14. Particulars of dividend paid to Non-resident shareholders:

(₹ in Million)

Year in which dividend paid	H1FY13	H1FY12	2011-12	2010-11
No of Shareholders	1	1	1	1
No of Shares held	23.08	23.08	23.08	23.08
Year for Which Dividend is Paid	2011-12	2010-11	2010-11	2009-10
Gross amount of Dividend *(Rupees)*	25.39	23.08	23.08	23.08

15. Rupee Equivalent of Foreign Currency paid towards Buy back of shares during the year 2011-12 is ₹ 0.01 Million (NIL)

16. Details of movement in Provisions in accordance with the Accounting Standard -29

Movement for the year ended 31 March 2012

(₹ In Million)

Particulars of Provision for	Opening Balance as on 1 April 2011	Provision made during the year	Provisions reversed/ adjusted	Closing balance as on 31 March 2012
Non performing advances	54.60	63.52	--	118.12
Contingent Provisions on Standard Assets	88.48	30.41	--	118.89
Leave encashment	5.75	4.50	1.08	9.17
Taxation	398.13	253.40	395.16	256.37
Proposed dividend (including Dividend Tax)	53.98	59.37	53.98	59.37

Movement for the half year ended 30 September 2012

(₹ In Million)

Particulars of Provision for	Opening Balance as on 1 April 2012	Provision made during the half year	Provisions reversed/ adjusted	Closing balance as on 30 September 2012
Non performing advances	118.12	48.03	-	166.15
Contingent Provisions on Standard Assets	118.89	11.11	-	130.00
Leave encashment	9.17	-	0.41	8.76
Taxation	256.37	139.80	256.37	139.80

Proposed dividend (including Dividend Tax)	59.37	-	59.37	-

17. **Employee Benefits**

i. Defined Contribution Plan:
Company Contribution to
a. Provident fund : ₹ 5.24 Million

ii. Defined Benefit Plan:
a. Gratuity

A. Reconciliation of opening and closing balance of present value of the defined benefit obligation

(₹ In Million)

	2011-12	**2010-11**
Present value of obligations as at beginning of year	4.00	2.33
Interest Cost	0.32	0.18
Current Service Cost	0.99	0.56
Benefits Paid	(0.26)	(0.16)
Actuarial loss on obligation	2.27	1.09
Present value obligations as at end of year	7.32	4.00

B. Reconciliation of opening and closing balances of fair value of Plan Assets

(₹ In Million)

Fund Maintained by LIC	**2011-12**	**2010-11**
Fair value of plan assets as at beginning of year	4.30	3.31
Expected return on plan assets	0.45	0.35
Contributions	1.11	0.80
Benefits paid	(0.26)	(0.16)
Actuarial gain on plan assets	NIL	NIL
Fair value of plan assets at the end of year	5.60	4.30

C. Reconciliation of present value of defined benefit obligation and fair value plan assets to the assets and liabilities.

(₹ In Million)

	2011-12	**2010-11**
Fair value of plan assets at beginning of year	4.30	3.31
Actual return on plan assets	0.45	0.35
Contributions	1.11	0.80
Benefits paid	(0.26)	(0.16)
Fair value of plan assets at the end of year	5.60	4.30
Funded status (Liability)	-	-
Excess of actual over estimated return on plan assets	(1.73)	2.91

D. Details showing fair value of plan assets

(₹ In Million)

	2011-12	**2010-11**
Fair value of plan at beginning of year	4.30	3.31
Actual return on plan assets	0.45	0.35
Contributions	1.11	0.80

Benefit paid	(0.26)	(0.16)
Fair value plan assets at end of year	5.60	4.30

E. Actuarial assumption

	2011-12	2010-11
Discount Rate	8.00%	8.00 %
Salary Increment	5.00%	5.00 %
Mortality rates	Based on LIC 1994-96	Based on LIC 1994-96

18. ***Capital to Risk Assets Ratio (CRAR) (As certified by the Management)***

	Items	As on 30 September 2012	As on 30 September 2011	As on 31 March 2012	As on 31 March 2011
i)	CRAR (%)	15.94	16.90	16.50	18.21
ii)	CRAR – Tier I Capital (%)	15.94	16.90	16.50	18.21
iii)	CRAR – Tier II Capital (%)	-	-	-	-

19. ***Exposure to Real Estate Sector (As certified by the Management)***

(₹ In Million)

Category				As on 31 March 2012	As on 31 March 2011
a)	**Direct Exposure**				
	(i)	**Residential Mortgages -**			
		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;		2,515.40	1,995.40
		(i) Out of the above Individual Housing Loans up to ₹ 1.5 Million		1,546.50	1,252.30
	(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;		1,398.60	1,097.70
	(iii)	Investments in Mortgage Backed Securities (MBS) and other securities exposures -		Nil	Nil
		a.	Residential	Nil	Nil
		b.	Commercial Real Estate	Nil	Nil
b)	**Indirect Exposure**				
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)			Nil	Nil

(₹ In Million)

Category			As on 30 September 2012	As on 30 September 2011
a)	**Direct Exposure**			
	(i)	**Residential Mortgages -**		

		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (i) Out of the above Individual Housing Loans up to ₹ 1.5 Million	2,861.65 1,690.16	2,212.83 1,378.17
	(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;	1,482.57	1,235.68
	(iii)	Investments in Mortgage Backed Securities (MBS) and other securities exposures -	Nil	Nil
		a. Residential	Nil	Nil
		b. Commercial Real Estate	Nil	Nil
b)	**Indirect Exposure**			
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)		Nil	Nil

20. **Asset Liability Management: Maturity pattern of certain items of assets and liabilities (As certified by the Management)**

For the year ended 31 March 2012 **(₹ in Million)**

	1 day to 30-31 days (one month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 to 7 years	Over 7 to 10 years	Over 10 years	Total
Liabilities											
Borrowings from Banks / NHB	639.3	22.9	641.4	1,055.9	2,393.6	9,911.7	5,129.7	3,273.8	1,792.2	--	24,860.5
Market Borrowings	--	--	--	--	--	--	--	--	--	--	--
Assets											
Advances (Gross)	213.3	134.00	135.2	413.0	858.5	3,835.3	4,450.7	4,645.2	6,111.9	7,224.4	28,021.5
Investments	--	--	--	--	--	--	--	--	--	--	--

For the half year ended 30 September 2012 **(₹ In Million)**

	1 day to 30-31 days (one month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 to 7 years	Over 7 to 10 years	Over 10 years	Total
Liabilities											
Borrowings from Banks / NHB	672.53	22.92	1,106.35	1,139.33	5,328.93	8,035.53	5,786.8	3,354.99	1,892.88	12.50	27352.76
Market Borrowings	--	--	--	--	--	--	--	--	--	--	--
Assets											
Advances (Gross)	267.85	151.86	153.22	467.32	972.67	4,336.80	4,992.27	5,112.35	6,801.80	7,721.88	30,978.02
Investments	--	--	--	--	--	--	--	--	--	--	--

21. **Amount of Dividend proposed to be distributed to the Equity Shares holders for the year ended 31 March 2012**

Particulars	**2011-12**	**2010-11**
Dividend (%)	10	10
Dividend amount/Share	1.10	1.00
Total Amount of dividend Proposed to be distributed	51.08	46.44

No dividend Proposed for the half year ended 30 September 2012 and 30 September 2011

22. There are no penalties levied on the company by the National Housing Bank.

23. Previous year figures have been regrouped and rearranged wherever necessary, to conform to current year classification.

ANNEXURE V – RESTATEMENTS

(₹ In Million)

Restatements	**For the half year ended 30 September**		**For the year ended 31 March**				
	2012	**2011**	**2012**	**2011**	**2010**	**2009**	**2008**
Changes in Accounting Policy	-	78.17	61.03	(15.49)	(3.75)	(21.32)	(2.48)
Effects for incorrect Accounting Policy	-	-	-	-	-	-	-
Effects of Auditor's Qualification	-	-	-	-	-	-	-
Prior Period Items	-	-	-	-	-	2.69	(2.34)
Total Adjustments	-	78.17	61.03	(15.49)	(3.75)	(18.63)	(4.82)

Figures in () represent negative adjustment to Profits

Notes to Restatement:

1. Arrear paid to the managing Director is restated to the respective years, and also has been restated in the Related party disclosure. As such there will not be any impact on the overall profitability for the last five years and also on the networth as at 31 March 2012 and 30 September 2012. These adjustments are reflected under Prior period items.

2. As regards Gratuity Liability the excess in provision over and above the actuarial valuation as at 31 March 2007 is adjusted against the General reserves.

3. For the year 2007-08 and 2008-09 decrease in excess provision outstanding as on that date when compared to 31 March 2007 is reflected as an increase in the employee cost for the respective years.

4. These adjustments are reflected under changes in accounting policy.

5. Consequent to the change in provision requirements of NHB made during the year 2011-12 the provision for non performing advances and Standard advances have been restated for the respective years. These changes in provision are reflected under change in accounting policies.

ANNEXURE VI – STATEMENT OF DIVIDEND DECLARED AS RESTATED

Particulars	For the half year ended 30 September		For the year ended 31 March				
	2012	2011	2012	2011	2010	2009	2008
Equity Shares - Face Value per Equity Share (₹)	10.00	10.00	10.00	10.00	10.00	10.00	10.00
-Final Dividend (%)	--	--	11.00	10.00	10.00	8.00	8.00
-Final Dividend* (₹ Million)	--	--	51.08	46.44	46.44	30.88	31.71
-Dividend Tax (%)	--	--	16.22	16.22	16.99	16.99	16.99
-Dividend Tax on Final Dividend (₹ Million)	--	--	8.29	7.53	7.89	5.25	5.39
Preference Shares – Face Value per share (₹)	--	--	--	--	--	10.00	10.00
-Final Dividend (%)	--	--	--	--	--	5.00	5.00
-Final Dividend (₹ Million)	--	--	--	--	--	20.11	5.23
-Dividend Tax (%)	--	--	16.22	16.22	16.99	16.99	16.99
-Dividend Tax on Final Dividend (₹ Million)	--	--	--	--	--	3.42	0.89

* Final Dividend includes Dividend paid on Equity Shares with differential rights

ANNEXURE VII – STATEMENT OF ACCOUNTING RATIOS, AS RESTATED

(₹ In Million except per share data and percentages)

Particulars	As on 30 September			As at 31 March			
	2012	2011	2012	2011	2010	2009	2008
Face value per Equity share (₹)	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Earnings / (losses) per share							
- Basic earning / (loss) per share (₹)	7.67	6.96	14.55	12.19	10.03	6.51	4.68
- Diluted earning / (loss) per share (₹)	7.67	6.96	14.55	12.19	10.03	5.44	4.41
Return on net worth (%)	10.51	11.80	22.28	23.43	23.09	16.55	11.37
Net asset value per Equity share (₹)	72.97	59.00	65.30	52.03	41.01	39.35	34.38
Weighted average numbers of Equity shares used in calculating Basic Earning per share	46.44	46.44	46.44	46.44	43.84	38.60	32.23
Weighted average numbers of Equity shares used in calculating Diluted Earning per share	46.44	46.44	46.44	46.44	43.84	46.18	34.21
Total number of equity shares outstanding as at the end of the year	46.44	46.44	46.44	46.44	46.44	38.60	38.60

Notes:
1. The ratios have been computed as below:

$$\text{Basic Earnings Per Share (₹)} = \frac{\text{Net Profit / loss as restated attributable to Equity Shareholders Per Share (₹)}}{\text{Total Weighted Average Nos. of Equity Shares outstanding during the year}}$$

$$\text{Diluted Earnings Per Share (₹)} = \frac{\text{Net Profit / loss as restated attributable to Equity Shareholders Per Share (₹)}}{\text{Potential Weighted Average Nos. of Equity Shares outstanding during the year}}$$

$$\text{Return on Net Worth (₹)} = \frac{\text{Net Profit / loss as restated}}{\text{Net Worth as restated at the end of the year}}$$

$$\text{Net Asset Value per Equity Share (₹)} = \frac{\text{Net Worth}}{\text{Number of Equity Shares outstanding at the end of the year}}$$

ANNEXURE VIII - STATEMENT OF LONG TERM BORROWINGS, AS RESTATED

(₹ In Million)

	As at 30 September		As at 31 March				
Particulars	**2012**	**2011**	**2012**	**2011**	**2010**	**2009**	**2008**
Secured:							
Term Loan from Repco Bank (Holding Company)	11.36	16.41	9.93	22.05	34.26	43.77	42.67
Term Loan from Other Banks	9,982.00	6,628.60	8,203.46	5,908.46	3,148.48	3,145.98	2,332.12
Term Loan from NHB	9,690.85	8,498.75	9,488.74	7,133.64	5,874.57	3,755.78	1,679.29
Total	**19,684.21**	**15,143.76**	**17,702.13**	**13,064.15**	**9,057.31**	**6,945.53**	**4,054.08**

Note:

1. The long term borrowings provided above do not include the current maturities of the long term borrowings, which are shown under “Other Current Liabilities”
2. The above borrowings are secured by book debts/receivables of the company and an irrevocable POA given by the company in favour of the banks/NHB for recovery of monies and for creation of mortgage on the properties of the loan borrowers of the company.

ANNEXURE IX – STATEMENT OF LONG TERM PROVISIONS AS RESTATED

(₹ In Million)

Particulars	As at 30 September		As at 31 March				
	2012	**2011**	**2012**	**2011**	**2010**	**2009**	**2008**
Provision for Employee Benefits:							
Leave Salary Payable#	8.74	7.71	9.17	5.75	4.03	2.91	2.77
Other Provisions:							
Provision for Non-Performing Advances	166.15	95.51	118.12	54.60	38.48	26.37	20.61
Provision for Standard Advances	130.00	102.80	118.89	88.48	60.01	41.23	26.11
Total	**304.89**	**206.02**	**246.18**	**148.83**	**102.52**	**70.51**	**49.49**

As the amount of leave salary encashable within a period of one year from the balance sheet date is not ascertainable the whole amount has been grouped under long term provisions.

ANNEXURE X – STATEMENT OF SHORT TERM BORROWINGS AS RESTATED

(₹ In Million)

Particulars	As on 30 September		As at 31 March				
	2012	2011	2012	2011	2010	2009	2008
Secured							
Cash Credit from Repco Bank	3,066.61	2,840.11	2,405.15	2,430.31	939.19	--	279.43
From Others	--	--	--	--	700.03	--	499.97
Total	**3,066.61**	**2,840.11**	**2,405.15**	**2,430.31**	**1,639.22**	**--**	**779.40**

The above borrowings are secured by book debts/receivables of the company and an irrevocable POA given by the company in favour of the banks/NHB for recovery of monies and for creation of mortgage on the properties of the loan borrowers of the company.

ANNEXURE XI – STATEMENT OF OTHER CURRENT LIABILITIES AS RESTATED

(₹ In Million)

Particulars	As at 30 September		As at 31 March				
	2012	2011	2012	2011	2010	2009	2008
Other Creditors	3.33	1.33	3.06	2.27	1.93	1.52	0.87
Current maturities of long term borrowings	4,601.94	3,313.52	4,753.15	2,603.47	1,880.56	1,547.43	918.96
Interest accrued but not due	264.78	201.54	241.27	174.47	148.17	100.04	36.49
Advance Receipts	0.35	0.44	0.08	0.57	0.00	0.35	0.72
Statutory Dues	2.11	2.08	1.13	0.45	0.71	0.56	0.20
Other liabilities	156.97	145.97	42.67	69.68	5.44	63.07	58.74
Total	**5,029.48**	**3,664.88**	**5,041.36**	**2,850.91**	**2,036.81**	**1,712.97**	**1,015.98**

ANNEXURE XII - STATEMENT OF SHORT TERM PROVISIONS AS RESTATED

(₹ In Million)

Particulars	As at 30 September		As at 31 March				
	2012	2011	2012	2011	2010	2009	2008
Provision for Employee Benefits:	1.60	5.10	12.30	7.39	5.50	3.06	2.09
Other Provisions:							
Provision for Income Tax(Net of Advance tax Paid)	14.93	--	8.77	0.83	27.88	6.09	1.61
Proposed Dividend – Equity	--	--	51.08	46.44	46.44	30.88	31.71
Proposed Dividend – Preference	--	--	--	--	--	20.11	5.23
Tax on Proposed Dividend	--	--	8.29	7.53	7.89	8.67	6.28
Total	**16.53**	**5.10**	**80.44**	**62.19**	**87.71**	**68.81**	**46.92**

ANNEXURE XIII – STATEMENT OF NON-CURRENT INVESTMENTS AS RESTATED

(₹ In Million)

Particulars	**As at 30 September**		**As at 31 March**				
	2012	**2011**	**2012**	**2011**	**2010**	**2009**	**2008**
At Cost, Unquoted, Trade							
Investment in associates:							
50,000 equity shares of ₹10/each fully paid up in Repco Infrastructure Development Finance Company Ltd	0.50	0.50	0.50	0.50	0.50	0.50	--
80,00,000 equity shares of ₹10/- each fully paid up in Repco MSME Development & Finance Ltd.,	80.00	20.00	80.00	20.00	20.00	--	--
Total	**80.50**	**20.50**	**80.50**	**20.50**	**20.50**	**0.50**	**--**

As at 31 March 2010 the Investments in Repco MSME has not been allotted and represent advance for investments amounting to ₹ 20 Million pending allotment.

ANNEXURE XIV – STATEMENT OF LONG TERM LOANS & ADVANCES AS RESTATED

(₹ In Million)

Particulars	As on 30th September		As at 31st March				
	2012	2011	2012	2011	2010	2009	2008
(Secured, considered good unless otherwise stated)							
Housing Loan to Individuals	25,069.68	19,653.01	22,679.73	16,504.46	10,995.76	7,802.75	5,144.05
Mortgage/Other Loans	3,977.13	3,185.41	3,587.76	2,815.60	2,065.73	1,501.36	989.03
Capital Advances (unsecured, considered good)	2.31	2.85	2.03	3.20	0.57	1.05	0.08
Security Deposits (unsecured, considered good)	12.89	12.55	13.02	10.08	5.49	4.10	2.75
Other loans & advances (Unsecured, considered good unless otherwise stated)							
Advances recoverable in Cash or in kind	4.31	5.55	4.57	2.05	2.43	0.78	0.31
Loan to Employees	4.81	3.87	4.00	4.13	2.57	0.25	0.16
Total	**29,071.13**	**22,863.24**	**26,291.11**	**19,339.52**	**13,072.55**	**9,310.29**	**6,136.38**

ANNEXURE XV – STATEMENT OF SHORT TERM LOANS & ADVANCES AS RESTATED

(₹ In Million)

Particulars	As at 30 September		As at 31 March				
	2012	2011	2012	2011	2010	2009	2008
(Secured, considered good unless otherwise stated)							
Current Maturities of Housing Loan	1,564.11	1,185.44	1,427.77	1,137.65	809.35	475.60	333.04
Current Maturities of Mortgage / Other Loans	367.10	263.11	326.29	277.52	209.26	126.16	84.68
Other loans & advances (Unsecured, considered good unless otherwise stated)							
Advances recoverable in Cash or in kind (Refer Note 26)	23.61	4.17	23.32	1.81	1.76	1.40	0.21
Loan to Employees	2.10	1.54	1.99	1.60	0.99	0.47	0.27
Travel Advance	0.20	0.29	0.24	0.13	0.02	0.02	--
Total	**1,957.12**	**1,454.55**	**1,779.61**	**1,418.71**	**1,021.38**	**603.65**	**418.20**

ANNEXURE XVI – STATEMENT OF OTHER CURRENT ASSETS AS RESTATED

(₹ In Million)

Particulars	As at 30 September		As at 31 March				
	2012	**2011**	**2012**	**2011**	**2010**	**2009**	**2008**
Interest due from borrowers	78.38	61.33	63.59	47.77	32.26	21.60	10.19
PEMI due from borrowers	7.72	5.08	5.58	4.18	3.51	2.32	1.05
Other assets	--	--	--	--	--	--	0.19
Total	**86.10**	**66.41**	**69.17**	**51.95**	**35.77**	**23.92**	**11.43**

ANNEXURE XVII – STATEMENT OF OTHER INCOME AS RESTATED

(₹ In Million)

Particulars	As at 30 September		As at 31 March				
	2012	2011	2012	2011	2010	2009	2008
Interest on Deposits with Bank	0.14	0.41	0.56	4.00	7.04	31.76	9.80
Interest Others	--	--	0.13	--	--	--	--
Profit on sale of asset	0.27	--	0.02	0.14	--	--	--
Profit/(Loss) on sale of Investments	--	--	--	--	(0.66)	(11.21)	14.86
Dividend Income	--	--	--	--	0.48	0.19	0.59
Total	**0.41**	**0.41**	**0.71**	**4.14**	**6.86**	**20.74**	**25.25**

ANNEXURE XVIII – CAPITALIZATION STATEMENT OF THE COMPANY

(₹ In Million)

Particulars	Pre-Issue as at 31 March 2012	Post Issue *
Short Term Debt	7,399.57	[●]
Long Term Debt	17,702.13	[●]
Total Debt	25,101.70	[●]
Equity Share Capital	464.41	[●]
Preference Share Capital	--	[●]
Reserves	2,568.22	[●]
Total Shareholders' Fund	**3,032.63**	[●]
Long Term Debt to Total Shareholders' Fund	**8.27:1**	[●]

* Will be calculated after finalization of issue price

1. Short term debts represents debts, which are due within 12 months from March 31, 2012 and include current portion of Long Term Debt, and interest accrued but not due.
2. Long Term debts are debts other than Short Term Debts as defined above.

ANNEXURE XIX – STATEMENT OF TAX SHELTERS AS RESTATED

(₹ In Million except tax rates)

Particulars	As at 30 September		As at 31 March				
	2012	2011	2012	2011	2010	2009	2008
Profit/(Loss) before taxation as restated	477.57	399.85	877.32	777.01	607.74	353.34	209.71
Tax Rate on Business Income	32.45	32.45	32.45	33.22	33.99	33.99	33.99
Tax rate on Long term Capital Gains of shares / mutual funds which attract STT	--	--	--	--	--	--	--
Tax rate on short term capital Gains of shares / Mutual funds which attract STT	16.22	16.22	16.22	16.61	17.00	17.00	11.33
Tax at Notional Rate	**154.95**	**129.73**	**284.69**	**258.11**	**206.57**	**120.10**	**71.28**
Permanent Differences:							
Fees paid towards increase in authorised capital	--	--	--	--	--	--	2.5
Profit/Loss on Sale of Assets	0.27	--	(0.02)	(0.14)	(0.07)	--	--
Profit/Loss on Sale of Investments	--	--	--	--	--	(1.83)	(10.86)
Long Term Capital Gain (STT Paid)	--	--	--	--	(1.03)	--	(4.00)
Dividend Income Exempt Under 10(34)	--	--	--	--	(0.48)	(0.19)	(0.59)
Deductions Under 36(1)(viii)	(107.40)	(91.28)	(197.11)	(164.90)	(126.45)	(77.02)	(39.43)
Other Adjustments	--	--	--	1.63	0.52	1.01	0.01
TOTAL (A)	**(107.40)**	**(91.28)**	**(197.12)**	**(163.40)**	**(127.50)**	**(78.02)**	**(52.38)**
Timing Differences:							
Preliminary Expenses written off	--	--	--	--	--	(0.06)	(0.06)
Difference between Book depreciation and Tax depreciation	0.13	0.06	(1.76)	(1.59)	(1.1)	0.47	0.01
Provision for Non performing and standard advances/diminution in value of investments	59.13	122.36	154.98	29.09	20.98	5.91	1.89
Disallowance under section 43B etc	0.02	0.60	4.16	1.72	0.08	0.10	0.48
TOTAL (B)	**59.28**	**123.02**	**157.38**	**29.22**	**19.96**	**6.48**	**2.38**
TOTAL (A+B)	**(48.12)**	**31.74**	**(39.75)**	**(134.18)**	**(107.55)**	**(71.54)**	**(49.99)**
Tax Savings Thereon	(15.61)	10.30	(12.9)	(44.57)	(36.55)	(24.32)	(15.76)
Actual tax paid/Tax provision	139.80	120.00	253.4	220.00	175.00	101.00	60.00

ANNEXURE XX – STATEMENT OF CHANGES IN SHARE CAPITAL

(₹ In Million)

Particulars	**As at 30 September**		**As at 31 March**				
	2012	**2011**	**2012**	**2011**	**2010**	**2009**	**2008**
Share Capital							
Authorised Share Capital							
No. of Equity Share of ₹ 10 each	100.00	100.00	100.00	100.00	59.78	59.78	59.78
No. of Preference shares of ₹ 10/- each	--	--	--	--	40.22	40.22	40.22
Issued, Subscribed & Paid Up							
No. of Equity Shares at the beginning of the year (Million Nos)	46.44	46.44	46.44	46.44	38.60	38.60	30.00
Add: Fresh Issue of Equity Shares - To Promoters	--	--	--	--	--	--	--
Add: Conversion of Preference shares to Equity Shares – others	--	--	--	--	7.84	--	--
Add: Fresh Issue of Equity Shares - To Others	--	--	--	--	--	--	8.60
Less: Buy Back of Shares	--	0.01	0.01	--	--	--	--
No. of Equity Shares at the end of the year	46.44	46.44	46.44	46.44	46.44	38.60	38.60

Note: A fresh issue of Equity shares during the year 2007-08 includes 1,004 differential Equity shares. Buy back of shares during the year 2012 represents buy back of 1004 differential Equity Shares.

ANNEXURE XXI – STATEMENT OF RESERVES AND SURPLUS AS RESTATED

(₹ In Million)

Particulars	As on 30 September		As at 31 March				
	2012	2011	2012	2011	2010	2009	2008
Reserves and surplus							
Special Reserve	853.40	640.18	746.00	548.89	384.00	257.23	180.18
General Reserve	803.33	603.33	703.33	503.33	303.33	103.33	93.33
Share Premium Account	599.19	599.19	599.19	599.19	599.19	275.33	275.33
Profit and loss account	668.44	432.47	519.69	300.54	153.37	94.79	(9.91)
Capital Redemption Reserve	0.01	0.01	0.01	--	--	--	--
Less : Debit balance in profit and loss account	--	--	--	--	--	--	--
TOTAL	**2,924.37**	**2,275.18**	**2,568.22**	**1,951.95**	**1,439.89**	**730.68**	**538.93**

ANNEXURE XXII – RELATED PARTY DISCLOSURES

As per Accounting Standard 18 on related party disclosure issue by the Institute of Chartered Accountants of India, the Company's related parties are disclosed below:

(i) List of related parties where control exists:

Enterprises	
1) Repco Bank	Holding Company
2) First Carlyle Growth VI	Substantial Interest
3) Repco MSME Development Company Ltd	Associate Company
4) Repco Infrastructure Development Company Ltd.	Associate Company
Key Management Personnel	
5) Shri M.Balasubramanian	Managing Director (up to 30 September 2010)
6) Shri R.Varadarajan	Managing Director (from 01 October 2010)
7) Shri G. Ramalingam	Executive Director upto 30 September 2006
8) Shri S.V. Balasubramanian	Executive Director from 01 October 2006 to 14 February 2012
9) Shri P. Natarajan	Executive Director in Charge From 17 February 2012

(ii) Particulars of Transactions with related Parties

(₹ In Million)

Key Management Personnel							
Particulars	**As on 30 September**		**As at 31 March**				
	2012	**2011**	**2012**	**2011**	**2010**	**2009**	**2008**
Remuneration Paid to Managing Director	0.82	0.55	0.69	2.36	2.49	2.48	2.49
Remuneration Paid to Executive Director	0.56	1.25	*2.16	2.12	1.54	1.06	0.49
Interest Received from Executive Director	--	--	0.13	--	--	--	--
TOTAL	**0.63**	**0.92**	**2.98**	**4.48**	**4.03**	**3.54**	**2.98**

* Net of Recovery of ₹ 0.33 Million

Promoters (REPCO Bank)							
Particulars	**As on 30 September**		**As at 31 March**				
	2012	**2011**	**2012**	**2011**	**2010**	**2009**	**2008**
Equity Share Capital (Paid Up)	232.31	232.31	232.31	232.31	232.31	274.86	300.00
Cash Credit Outstanding	3,066.61	2,840.11	2,405.15	2,430.31	939.19	0.00	279.43
Term Loan Outstanding	16.26	27.92	22.26	33.38	43.62	51.55	62.36
Rent Paid	0.86	0.78	1.08	1.19	1.09	0.40	0.13
Corporate Fees Paid	0.11	0.11	0.22	0.22	0.22	0.22	0.22
Interest Paid on Loans availed from REPCO Bank	163.78	127.97	255.14	144.14	49.62	53.79	36.45
Equity Dividend Proposed	--	--	25.55	23.23	23.23	21.99	24.00

Interest Earned on Deposits	0.14	0.41	0.56	3.01	7.04	30.50	1.55
Capital Expenditure Paid	--	--	--	4.80	--	--	--

Company with Substantial Interest

Particulars	**As on 30 September**		**As at 31 March**				
	2012	**2011**	**2012**	**2011**	**2010**	**2009**	**2008**
Equity Share Capital (Paid Up)	230.81	230.81	230.81	230.82	230.82	110.56	85.56
Preference Share Capital (Paid Up)	--	--	--	--	--	400.00	400.00
Equity Dividend Proposed	--	--	25.39	23.08	23.08	8.84	7.67
Preference Dividend Proposed	--	--	--	--	--	20.00	5.21
Total	**230.81**	**230.81**	**256.20**	**253.90**	**253.90**	**539.40**	**498.44**

Associate Companies

Particulars	**As on 30 September**		**As at 31 March**				
	2012	**2011**	**2012**	**2011**	**2010**	**2009**	**2008**
Investments Outstanding at the end of the year.	80.50	20.50	80.50	20.50	0.50	--	--
Advance for Investments	--	--	--	--	20.00		
Professional Fee Paid	--	--	--	0.20	--	--	--
Total	**80.50**	**20.50**	**80.50**	**20.70**	**20.50**	**--**	**--**

ANNEXURE XXIII – STATEMENT OF CONTINGENT LIABILITIES

(₹ In Million)

	As on 30 September		As at 31 March				
	2012	**2011**	**2012**	**2011**	**2010**	**2009**	**2008**
Claims against the Company not acknowledged as Debts	2.10	2.10	2.10	--	--	--	--
Disputed Income tax liability	2.04	--	2.04	--	--	--	--

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF OUR COMPANY

You should read the following discussion of our financial condition and results of operations together with our restated financial statements as at and for the years ended March 31, 2012, 2011, 2010, 2009 and 2008 and as at and for the six month periods ended September 30, 2012 and 2011 including the schedules, annexures and notes thereto, and the report thereon, included in the section titled "Financial Statements" and "Selected Statistical Information" beginning on pages 129 and page 152, respectively, of this Red Herring Prospectus. These financial statements have been prepared in accordance with Indian GAAP and the Companies Act, restated pursuant to the SEBI ICDR Regulations, and described in the Auditor's report on the restated financial statements dated February 4, 2013. Unless otherwise stated, the financial information used in this section has been derived from the restated financial statements of the Company.

These restated financial statements have been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including U.S. GAAP and IFRS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian GAAP, the Companies Act, and the SEBI ICDR Regulations.

Our fiscal year ends on March 31 of each year; all references to a particular fiscal year are to the twelve month period ended March 31 of that year. This discussion contains certain forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward looking statements as a result of certain factors such as those set forth in the sections titled "Risk Factors" and "Forward Looking Statements" beginning on pages xiii and xii, respectively, of this Red Herring Prospectus.

Our Group Entity, RIDCL, was incorporated on July 18, 2008, as a wholly owned subsidiary of the Company. Subsequently, on March 9, 2009, Repco Bank invested ₹520,000 in RIDCL and was allotted 52,000 equity shares of ₹ 10 each. Pursuant to this allotment, the shareholding of the Company in RIDCL reduced to 49.02% as on March 9, 2009, and as a result, RIDCL ceased to be a subsidiary of the Company. RIDCL was not a subsidiary of the Company as of April 1, 2008 and as of March 31, 2009. The Company continues to hold a 49.02% stake in RIDCL as of the date of this Red Herring Prospectus. In the opinion of the Company, transactions by RIDCL either individually or in aggregate were not material in relation to the transactions undertaken by the Company during the period between July 18, 2008 and March 9, 2009. Accordingly, the Company has not consolidated its financial statements as at and for the year ended March 31, 2009.

OVERVIEW

We are a professionally managed housing finance company headquartered in Chennai, Tamil Nadu. We were promoted by the Repco Bank Limited, a Government of India owned enterprise, in April 2000, to tap the growth potential in the housing finance industry. We are registered as a housing finance company with the NHB, the housing finance regulator of India.

We are engaged primarily in the business of financing the Individual Home Loans and the Loans Against Property. As of December 31, 2012, we had 73 branches and 19 satellite centres located in Tamil Nadu, Karnataka, Andhra Pradesh, Kerala, Maharashtra, Odisha, West Bengal, Gujarat and the Union Territory of Puducherry. Further, as of December 31, 2012, 77 of our branches and satellite centres were located in tier 2 cities and tier 3 cities, and at the peripheries of tier 1 cities, based on our belief that they are underserved by larger HFCs and banks.

In 2007, we raised funds aggregating to ₹ 759.35 million, by way of an issue of Equity Shares and CCPS to Carlyle, an affiliate of the Carlyle group, a global alternative asset manager. Subsequently, the CCPS have been converted into Equity Shares on July 30, 2009. For further details, please see sections titled "*Capital Structure*" and "*History and Certain Corporate Matters*" beginning on page 34 and 100, respectively.

We have leveraged our key strengths of (a) direct customer contact and customer ownership, (b) focus on quality customer servicing, transparency and speed of operations, (c) focus on relatively underpenetrated markets and segments, (d) robust risk management systems and processes, (e) low cost operations, (f) well recognised brand in South India with an established track record, and (g) experienced senior management team, to generate significant growth in loan book and profitability, while maintaining strong asset quality.

Our outstanding loan portfolio has grown at a CAGR of 43.81% from ₹ 6,550.83 million as of March 31, 2008 to ₹ 28,021.55 million as of March 31, 2012. Our outstanding loan portfolio as at March 31, 2012 and as at March 31, 2011 was ₹ 28,021.55 million and ₹ 20,735.22 million, respectively. Our outstanding loan portfolio as at September 30, 2012 and September 30, 2011 was ₹ 30,978.03 million and ₹ 24,286.95 million, respectively. Similarly, our profit after tax has grown at a CAGR of 45.47% from ₹ 150.87 million for Fiscal 2008 to ₹ 675.64 million for Fiscal 2012. Our gross NPA was 2.12% and 1.76% and our net NPA was 1.60% and 1.38% as at September 30, 2012 and September 30, 2011, respectively. Our gross NPA was 1.37%, 1.21% and 1.24% and our net NPA was 0.95%, 0.95% and 0.97% as at March 31, 2012, 2011 and 2010, respectively. Since loans to non- salaried customers comprise a significant proportion of our outstanding loan portfolio, our NPA levels vary during the year. While our business is not seasonal, our NPA levels vary during the year as would be evident from the data set out above.

The total long term borrowings (including current maturities of long term borrowings) and short term borrowings of our Company, as at September 30, 2012 and March 31, 2012, were ₹ 27,352.76 million and ₹ 24,860.43 million, respectively, and the CRAR as at September 30, 2012 and March 31, 2012 amounted to 15.94% and 16.50%, respectively. Our term loan facilities aggregating to ₹ 2,974.80 million were assigned an "[ICRA]A+" with a "stable outlook" rating by ICRA Limited on January 30, 2013 which is valid till May 31, 2013. For further details, please see the section titled "*Financial Statements*" beginning on page 129.

We believe that our loan portfolio is well diversified across salaried and non-salaried borrowers. Loans to salaried and non-salaried borrowers constituted 47.29% and 52.71%, respectively, of our loan book as at September 30, 2012. The non-salaried borrower base, which we believe is a relatively under penetrated target segment, comprises SEPs and SENPs.

We intend to grow our loan book, income and profits through (a) deepening our reach in existing regions and expanding to new regions, (b) continued focus on under penetrated markets, (c) maintaining strong asset quality through continued focus on risk management, (d) accessing low cost and diversified sources of funds, and (e) maintaining low operating costs, amongst others.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

The business of our Company is subject to various risks and uncertainties, including those discussed in the section titled "*Risk Factors*" beginning on page xiii.

Our financial condition and results of operations are affected by numerous factors, of which the following are of particular importance:

General economic growth in India and globally

As a housing finance company with operations limited to India, our financial results and results of operations are affected by the economic conditions in India. The Indian economy could be adversely affected by factors such as a downturn in the global economy, higher oil and other commodities prices, high inflation, late arrival of monsoons and natural calamities, amongst various other factors. In the past, India has experienced periods of sustained high economic growth, particularly through Fiscal 2008, which in turn resulted in higher levels of housing loan disbursements during such periods. In Fiscal 2009, the Indian economy experienced slowdown due to global economic downturn. This in turn resulted in a slowdown in disbursements in housing loans. India witnessed higher economic growth in Fiscals 2010 and 2011, *inter-alia* aided by a partial recovery of the global credit markets. As a result, there was an increase in housing loan disbursements in Fiscals 2010 and 2011. For further details, please see the section titled "*Industry Overview – Housing Industry in India*" on page 63.

Recently the global economy has witnessed a significant slowdown in growth driven by key events such as the earthquake and tsunami in Japan, a downgrade of the US economy by Standard & Poor's from AAA to AA+ and the credit crisis in Europe, amongst other factors. As a result of the global slowdown, the growth rate of the Indian economy also got adversely affected. The real GDP growth rate was 6.5% in Fiscal 2012 as compared to 8.4% in Fiscal 2011. If the economic growth in India abates, our customers may default on the repayment of loans and the housing markets in India may experience sustained periods of decrease in demand, which may in-turn adversely affect our business and results of operations.

Credit quality

Credit quality is a key driver of our results of operations, as quality loans help to reduce the risk of losses from loan impairment. We believe that our ability to control our NPAs and maintain the credit quality of our portfolio is a function of our strong risk management policies and credit evaluation framework. We have put in place well documented procedures regarding credit appraisal and loan disbursement and have instituted ongoing monitoring mechanisms in order to strengthen our credit quality. A lowering of the credit quality may result in an increase in our net NPA and may also lead to higher levels of provisioning. For an overview of our credit appraisal and loan disbursement process and associated company policies, see the section titled "*Our Business – Business and Operations – Credit Appraisal*", "*Our Business – Risk Management Policy*", "*Our Business – Asset Liability Management Policy*" and "*Management Discussion and Analysis of Financial Conditions and Results of Operations- Asset Quality, Provisions and Write Offs*" on pages 83, 88, 88 and 148, respectively.

Interest rates and inflation

Interest rates have a substantial effect on our cost of funding, our business volumes and our profit margins. The interest rate spread between our borrowing rate and lending rate, and specifically our ability to maintain stable interest rate margins in times of interest rate volatility and intense market competition, contributes directly to our NIM. An increase in our cost of funds without a corresponding increase in our lending rates could result in a decrease in our profit margins.

Interest rates in India are typically correlated with inflation rates, as the RBI has historically sought to mitigate rising inflation by raising interest rates.

Since 2008, India experienced high inflation with rate of inflation increasing to 9.6% in Fiscal 2011 as compared to 3.8% in Fiscal 2010. As a result of this, the RBI raised the benchmark repurchase and reverse repurchase rates from 5.25% and 3.75%, respectively in April, 2010 to 8.00% and 7.00%, respectively, in August, 2012. Since Fiscal 2011, the rate of inflation has come down to 7.18% in December, 2012. The RBI has also reduced repurchase rate from the peak of 9.00% in August, 2008 and reverse repurchase rates from the peak of 7.75% in Fiscal 2008 to 7.75% and 6.75%, respectively, in January, 2013. *(Source: Office of the Economic Adviser)*

As per the RBI, the rate of inflation continues to be high and any further change in repurchase and reverse repurchase rates would *inter-alia* depend on the rate of inflation. *(Source: www.rbi.org.in)*

Notwithstanding our attempts to balance our interest rate risk, any change in interest rates may affect our NIM if we are unable to alter our lending rates in line with any changes in our cost of funds.

Regulatory policies

The growth of our business is dependent on government policies and regulations. The operations of a HFC in India are subject to regulations framed by the NHB, amongst others. These regulations regulate the manner in which a HFC carries out its business and operations, including maintaining a minimum CRAR, risk weightages for different loan categories and provisioning norms. The NHB has vide notification no. NHB.HFC.DIR.4/CMD/2012 dated January 19, 2012, increased the levels of provisioning in respect of loans and advances across various asset classes. For further details, please see the section titled "*Regulations and Policies*" beginning on page 90. An increase in the provisioning levels would adversely affect our profitability and CRAR.

Similarly, changes in the government policies, or in the nature of regulations applicable to us, may affect our financial condition and results of operations.

Competition

Our Company faces competition from other HFCs as well as from scheduled commercial banks in India. Our ability to compete effectively with such entities will depend, to some extent, on our ability to raise low cost funding in the future and to lend at competitive rates to maintain our profitability. Some of these entities may have greater resources at their disposal, which may give them a competitive advantage. For further details, see "*Risk factor – Increasing competition in the Indian housing finance industry and our inability to effectively compete with other organisations operating in the housing finance industry may result in slower growth and/or a decline in our profitability which may have a material adverse effect on our business, results of operations and financial condition*" in the section titled "Risk Factors" on page xx. If we are unable to compete effectively with other participants in the housing finance industry, our business and future financial performance may be adversely affected.

CRITICAL ACCOUNTING POLICIES

Our restated financial statements have been prepared in accordance with Indian GAAP. The financial statements are prepared under the historical cost convention, on the accounting principles of a going concern and as per applicable accounting standards. Our significant accounting policies are set forth on page F-7. Indian GAAP requires that we adopt accounting policies and make estimates that our Directors believe are most appropriate in the circumstances for the purposes of giving a true and fair view of our results of operations and the understanding of our financial condition and results of operations. The preparation of our financial statements requires us to make difficult and subjective judgments in selecting appropriate estimates and assumptions, which affect the amounts reported in our financial statements. By their nature, these judgments are subject to an inherent degree of uncertainty. These judgments are based on our historical experience, terms of existing contracts, our observance of trends in the industry and information available from other outside sources, as appropriate. There can be no assurance that our judgments will prove correct or that actual results reported in future periods will not differ from our expectations reflected in our accounting treatment of certain items.

While we believe that all aspects of our financial statements should be studied and understood in assessing our current and expected financial condition and results, we believe that the following critical accounting policies warrant additional attention:

Basis of preparation

The financial statements are prepared and presented under the historical cost convention in accordance with the Indian GAAP, and provisions of the Companies Act and accounting standards issued by the ICAI as applicable. The Company also follows the guidelines/directions prescribed by the NHB for HFCs.

Income Recognition

a. Interest income on the Individual Home Loans and Loans against Property and other dues are accounted on accrual basis. The Individual Home Loans and Loans against Property are classified into "Standard assets" and "Non-performing assets" in terms of the guideline/directions issued by the NHB from time to time. Income recognition on non-performing assets are made in accordance with the NHB guidelines.

b. Insurance commission income, if any in respect of life products marketed by the Company/ penal and other charges are accounted on realization.

Interest on the Individual Home Loans

Repayment of the Individual Home Loans are by way of EMIs comprising principal and interest. The interest is calculated on the outstanding balances at the beginning of the month. EMI's commence once the entire loan is disbursed. Pending commencement of EMI, pre-equated monthly installment interest is payable every month.

Fixed assets and depreciation

a. Fixed assets are stated at cost. Depreciation on fixed assets is provided on pro-rata basis from the date of installation on written down value method in accordance with Schedule XIV of the Companies Act.

b. Assets costing upto ₹ 5,000/- are being depreciated fully in the year acquisition.

Provision for Standard Assets/Non-Performing Assets

Advances are classified into Standard Assets and Non-Performing Assets. Further Non-Performing Assets are categorized into Sub-standard, Doubtful and Loss category based on the guidelines and directions issued by NHB. Provision for Standard Assets and Non-Performing Assets are made in accordance with the NHB guidelines.

Investments

Investments are classified as long term investments and current investments and are valued in accordance with guidelines of NHB and accounting standards on (AS-13) 'Accounting for Investments', issued by the ICAI. Current investments are carried at lower of cost and market value/NAV, computed individually. Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such decline is other than temporary in the opinion of the management.

Employee Benefits

a. Short-term employee benefits
Short term employee benefits for services rendered by employees are recognized during the period when the services are rendered.

b. Post employment benefits

I. <u>Defined contribution plan</u>
i) Provident fund:
The Company contributes to a Government-administered provident fund in accordance with the provisions of PF Act.

II. <u>Defined benefit plan</u>
i) Gratuity:
The Company makes an annual contribution to gratuity fund administered by trustees and managed by LIC. The Company accounts for its liability based on actuarial valuation, as at balance sheet date, determined every year by LIC using projected unit credit method.

ii) Leave encashment:
The Company provides for staff leave encashment based on actuarial valuation and has not been funded.

Accounting for taxes on income

Income tax expense is the aggregate amount of current tax and deferred tax charge. Taxes on income are accrued in the same period as the revenue and expenses to which they relate. Current tax is determined in accordance with the IT Act, on the amount of tax payable in respect of income for the year.

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences arising between the carrying value of assets and liabilities. Deferred tax assets are recognized only after giving due consideration to prudence. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted (or) substantially enacted by the balance sheet date.

Earnings per share

The Company reports basic and diluted earnings per equity share in accordance with AS (20) "Earnings per Share", issued by the ICAI. Basic earnings per equity share has been computed by dividing net income by the weighted average number of equity shares outstanding for the period. Diluted earnings per equity share has been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

DESCRIPTION OF PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE

Income

Our income consists of revenue from operations and other income.

Revenue from operations

Our revenue from operations comprises income from interest on Individual Home Loans and Loans Against Property, administrative fees, processing fees, penal interest charged to customers for delayed payments, and miscellaneous items which includes pre-payment charges.

Other income

Other income consists of income from interest on deposits with banks, dividend income, profit on sale of fixed assets and profit on sale of investments.

Expenditure

Our expenditure comprises interest and other financial charges, employee benefit expenses, administrative and other expenses, depreciation, provisions for NPAs, provisions for standard assets, provisions for diminution in value of investments, taxation and bad debts written off.

Interest and other financial charges

Interest and other financial charges comprise interest on loans from scheduled commercial banks, refinance from NHB and borrowings from our Promoter, and charges levied by the banks.

Employee benefit expenses

Employee benefit expenses comprise payment to and provisions for employees salaries, allowances, incentives and ex-gratia payments, contribution to provident fund, gratuity and superannuation, leave encashment and expenses for welfare of the staff.

Depreciation and amortization expenses

Depreciation and amortization expenses is provided on fixed assets such as land and building, office equipments, computers, motor vehicles, electrical equipments, amongst other things, using the written down value method to the corresponding rates prescribed under Schedule XIV of the Companies Act.

Other expenses

Other expenses comprises a number of items, including, professional/consultancy charges, advertising and business promotion, audit fees, printing and stationery, legal fees, rent, rates and taxes, insurance, communication expenses, travelling and conveyance expenses, electricity charges, vehicle maintenance, office maintenance and repairs, training, CERSAI fees, and miscellaneous expenses.

Provisions for NPAs

Provisions for NPAs comprises of provisioning made for sub-standard assets, doubtful assets and loss assets in accordance with NHB Directions, 2010. The provisioning requirements for NPAs in accordance with NHB Directions, 2010 are as follows:

a) Sub standard assets - provisions of 15% of the total outstanding;

b) Doubtful assets - 100% provision to the extent to which the advance is not covered by the realisable value of the security and in addition, depending upon the period for which the asset has remained doubtful provision to the extent of 25% to 100% of the secured portion shall be made in the following manner: i) 25% up to the period of one year; ii) 40% for the period of one year to three years and iii) 100% for the period more than three years; and

c) Loss assets - the entire assets are required to be written off. If assets are permitted to remain in the books for any reason, then 100% of the outstanding should be provided for.

Provisions for Standard assets

Provisions for standards assets comprises provisioning made for assets in respect of which no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than the normal risks attached to the business. The provisioning requirements for standard assets in accordance with NHB Directions, 2010 is as follows:

(i) standard assets with respect to housing loans at teaser/special rates - provision of 2% on the total outstanding amount of such loans and the provisioning of these loans to be re-set after one year at the applicable rates from the date on which the rates are re-set at higher rates if the accounts remain standard;

(ii) standard assets in respect of commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, amongst others) – provision of 1% on the total outstanding amount of such loans; and

(iii) standard assets in respect of all loans other than (i) and (ii) - a general provision of 0.4% of the total outstanding amount of such loans.

Taxation

Our Company's provision for taxation comprises current taxes, including fringe benefits taxes and wealth tax, and deferred tax charges or credits. As per section 36(1)(viii) of the IT Act, we are permitted a deduction of 20% of profit derived from business of providing long term housing finance for residential purpose, provided it is carried to a special reserve. Such deduction is available only up to twice the total amount of the paid-up share capital and general reserves. For details, please refer the section titled "*Statement of Tax Benefits*" beginning on page 54.

RESULTS OF OPERATIONS

The following table sets forth certain items from our restated financial statements with respect to our results of operations for the six month periods ending September 30, 2011 and September 30, 2012 and Fiscal 2012, 2011, 2010 and 2009, respectively:

Particulars	For the six month periods ended September 30				For the year ended March 31,							
	2012		2011		2012		2011		2010		2009	
	₹ in million	As a% of Total Income	₹ in million	As a% of Total Income	₹ in million	As a% of Total Income	₹ in million	As a% of Total Income	₹ in million	As a% of Total Income	₹ in million	As a% of Total Income

Particulars	For the six month periods ended September 30				For the year ended March 31,							
	2012		2011		2012		2011		2010		2009	
	₹ in million	As a% of Total Income	₹ in million	As a% of Total Income	₹ in million	As a% of Total Income	₹ in million	As a% of Total Income	₹ in million	As a% of Total Income	₹ in million	As a% of Total Income
Income												
Revenue from operations	1,888.00	99.98%	1,454.70	99.97%	3,188.15	99.98%	2,255.37	99.82%	1,635.41	99.58%	1,127.45	98.19%
Other income	0.41	0.02%	0.41	0.03%	0.71	0.02%	4.14	0.18%	6.86	0.42%	20.74	1.81%
Total Income (A)	**1,888.41**	**100.00%**	**1,455.11**	**100.00%**	**3,188.86**	**100.00%**	**2,259.51**	**100.00%**	**1,642.27**	**100.00%**	**1,148.19**	**100.00%**
Expenditure												
Interest and other financial charges	1,253.98	66.40%	919.43	63.19%	2,023.10	63.44%	1,278.67	56.59%	905.33	55.13%	696.48	60.66%
Employee benefit expense	57.51	3.04%	45.69	3.14%	105.05	3.30%	72.20	3.20%	47.63	2.90%	35.92	3.13%
Depreciation and amortization expense	6.22	0.33%	5.44	0.37%	16.17	0.51%	15.73	0.70%	7.41	0.45%	4.37	0.39%
Other expenses	33.99	1.80%	29.46	2.02%	72.88	2.29%	61.73	2.73%	38.82	2.36%	30.85	2.69%
Provision for Non-Performing Assets	48.03	2.54%	40.92	2.81%	63.53	1.99%	16.12	0.71%	12.10	0.74%	5.77	0.50%
Provision for Standard Assets	11.11	0.59%	14.32	0.98%	30.42	0.95%	28.46	1.26%	18.78	1.14%	15.12	1.32%
Provision for diminution in value of investments	-	-	-	-	-	-	-	-	(6.15)	(0.37)%	0.56	0.05%
Bad Debts written off	-	-	-	-	0.39	0.01%	9.59	0.42%	10.61	0.65%	5.78	0.50%
Total Expenditure (B)	**1,410.84**	**74.71%**	**1,055.26**	**72.52%**	**2,311.54**	**72.49%**	**1,482.50**	**65.61%**	**1,034.53**	**63.00%**	**794.85**	**69.23%**
Profit before tax	**477.57**	**25.29%**	**399.85**	**27.48%**	**877.32**	**27.51%**	**777.01**	**34.39%**	**607.74**	**37.01%**	**353.34**	**30.77%**
Current Tax	139.80	7.40%	120.00	8.25%	253.40	7.95%	220.00	9.74%	175.00	10.66%	101.00	8.80%
Fringe Benefit Tax	-	-	-	-	-	-	-	-	-	-	1.00	0.08%
Deferred Tax	(18.37)	(0.97)%	(43.38)	(2.98)%	(51.72)	(1.62)%	(9.03)	(0.40)%	(6.95)	(0.42)%	(0.08)	-
Net Profit/(Loss) for the period	**356.14**	**18.86%**	**323.23**	**22.21%**	**675.64**	**21.19%**	**566.04**	**25.05%**	**439.69**	**26.77%**	**251.42**	**21.90%**

Comparison of six month periods ended September 30, 2012 and 2011

Total income

Our total income increased by 29.78% from ₹ 1,455.11 million for the six months period ended September 30, 2011 to ₹ 1,888.41 million for the six months period ended September 30, 2012 primarily due to increase in our revenue from operations.

Revenue from operations

Our revenue from operations increased by 29.79% from ₹ 1,454.70 million for the six months period ended September 30, 2011 to ₹ 1,888.00 million for the six months period ended September 30, 2012 primarily due to an increase in our interest income from Individual Home Loans and Loans Against Property by 31.26% from ₹ 1,376.75 million for the six months period ended September 30, 2011 to ₹ 1807.19 million for the six months period ended September 30, 2012. The increase in our interest income from Individual Home Loans and Loans Against Property is due to a growth of our loan portfolio and an increase in our average yields during such periods. Our outstanding loan portfolio grew by 27.55% from ₹ 24,286.95 million as at September 30, 2011 to ₹ 30,978.03 million as at September 30, 2012. Our average yield increased marginally from 12.36% per annum as at September 30, 2011 to 12.38% per annum as at September 30, 2012 on an annualised basis. Our interest income from Individual Home Loans and Loans Against Property accounted for 95.72% and 94.64% of our revenue from operations for the six month periods ended September 30, 2012 and 2011, respectively.

Total expenditure

Our total expenditure increased by 33.70% from ₹ 1,055.26 million for the six months period ended September 30, 2011 to ₹ 1,410.84 million for the six months period ended September 30, 2012 primarily due to an increase in interest and other financial charges.

Interest and other financial charges

Our interest and other financial charges increased by 36.39% from ₹ 919.43 million for the six months period ended September 30, 2011 to ₹ 1,253.98 million for the six months period ended September 30, 2012, primarily due to an increase in our long term borrowings (including current maturities of long term borrowings) by 31.58% from ₹ 18,457.28 million as at September 30, 2011 to ₹ 24,286.15 million as at September 30, 2012, increase in our short term borrowings by 7.98% from ₹ 2,840.11 million as at September 30, 2011 to ₹ 3,066.61 million as at September 30, 2012, and an increase in our cost of funds from 9.18% per annum for the six months period ended September 30, 2011 to 9.50% per annum for the six months period ended September 30, 2012 on an annualised basis.

Our interest and other financial charges comprise of interest on loans from scheduled commercial banks, interest on refinance from NHB, interest on borrowings from our Promoter and bank charges.

Interest on loans from scheduled commercial banks and refinance from NHB grew by 38.79% from ₹ 784.73 million as at September 30, 2011 to ₹ 1,089.11 million as at September 30, 2012 primarily due to an increase in such loans and refinance by 31.69% from ₹ 18,429.36 million as at September 30, 2011 to ₹ 24,269.89 million as at September 30, 2012. Interest on loans from scheduled commercial banks and refinance from NHB contributed 86.85% and 85.35% of our interest and other financial charges for six month periods ended September 30, 2012 and 2011, respectively.

Interest on borrowings from our Promoter, grew by 27.98 % from ₹ 127.97 million as at September 30, 2011 to ₹ 163.78 million for the six months period ended September 30, 2012. This increase is primarily due to increase in utilisation of cash credit facilities during the six months period ending September 30, 2012 as compared to six months period ending September 30, 2011. Interest on borrowings from our Promoter contributed 13.06% and 13.92% of our interest and other financial charges for six month periods ended September 30, 2012 and 2011, respectively.

Employee benefit expenses

Our employee benefit expenses increased by 25.87% from ₹ 45.69 million for the six months period ended September 30, 2011 to ₹ 57.51 million for the six months period ended September 30, 2012 primarily due to an increase in salaries and wages paid to employees by 25.62% from ₹ 37.78 million as at September 30, 2011 to ₹ 47.46 million as at September 30, 2012. The increase in salaries and wages was on account of revision in salaries as well as an increase in our number of employees from 241 as at September 30, 2011 to 356 as at September 30, 2012.

Other expenses

Our other expenses increased by 15.38% from ₹ 29.46 million for the six months period ended September 30, 2011 to ₹ 33.99 million for the six months period ended September 30, 2012, primarily on account of an expansion of our branch network, which resulted in an increase in operating costs and in particularly rental expenses.

Our rental expenses increased by 27.86% from ₹ 8.29 million as at September 30, 2011 to ₹ 10.60 million for the six months period ended September 30, 2012 primarily on account of an expansion of our branch network from 77 locations (branches and satellite centres) as at September 30, 2011 to 91 locations as at September 30, 2012.

Provision for NPAs

Our expenses in connection with provisioning for NPAs increased by 17.38% from ₹ 40.92 million for the six months period ended September 30, 2011 to ₹ 48.03 million for the six months period ended September 30, 2012 on account of an increase in our gross NPA by 53.14% from ₹ 428.43 million as at September 30, 2011 to ₹ 656.11 million as at September 30, 2012.

Provision for standard assets

Our expenses in connection with provisioning for standard assets decreased by 22.42% from ₹ 14.32 million as at September 30, 2011 to ₹ 11.11 million as at September 30, 2012 on account of lower accretion to standard assets during the six month period ended September 30, 2012 as compared with the accretion to standard assets during the six month period ended September 30, 2011.

Depreciation and amortization expenses

Depreciation and amortization expenses increased by 14.34% from ₹ 5.44 million for the six months period ended September 30, 2011 to ₹ 6.22 million for the six months period ended September 30, 2012 due to an increase in our fixed assets by ₹ 17.16 million as at September 30, 2012 in comparison to September 30, 2011.

Net profit/(loss) for the period

As a result of the above factors, our Company's net profit increased by 10.18% from ₹ 323.23 million for the six months period ended September 30, 2011 to ₹ 356.14 million for the six months period ended September 30, 2012.

Comparison of Fiscal 2012 and Fiscal 2011

Total income

Our total income increased by 41.13% from ₹ 2,259.51 million in Fiscal 2011 to ₹ 3,188.86 million in Fiscal 2012 primarily due to an increase in our revenue from operations.

Revenue from operations

Our revenue from operations increased by 41.36% from ₹ 2,255.37 million in Fiscal 2011 to ₹ 3,188.15 million in Fiscal 2012 primarily due to an increase in our interest income from Individual Home Loans and Loans Against Property by 42.99% from ₹ 2,115.21 million in Fiscal 2011 to ₹ 3,024.44 million in Fiscal 2012. The increase in our interest income from Individual Home Loans and Loans Against Property is due to a growth of our loan portfolio and an increase in our average yields during such periods. Our outstanding loan portfolio grew by 35.14% from ₹ 20,735.22 million as on March 31, 2011 to ₹ 28,021.55 million as on March 31, 2012. Our average yield increased from 12.21% per annum in Fiscal 2011 to 12.54% per annum in Fiscal 2012. Our interest from Individual Home Loans and Loans Against Property accounted for 94.87% and 93.79% of our revenue from operations for Fiscals 2012 and 2011, respectively.

Total expenditure

Our total expenditure increased by 55.92% from ₹ 1,482.50 million in Fiscal 2011 to ₹ 2,311.54 million in Fiscal 2012 primarily due to an increase in interest and other financial charges and employee benefit expenses.

Interest and other financial charges

Our interest and other financial charges increased by 58.22% from ₹ 1,278.67 million in Fiscal 2011 to ₹ 2,023.10 million in Fiscal 2012, primarily due to an increase in our long term borrowings (including current maturities of long term borrowings) by 43.32% from ₹ 15,667.62 million as at March 31, 2011 to ₹ 22,455.28 million as at March 31, 2012 and increase in the cost of funds from 8.22% per annum in Fiscal 2011 to 9.30% per annum in Fiscal 2012.

Our interest and other financial charges comprise of interest on loans from scheduled commercial banks, interest on refinance from NHB, interest on borrowings from our Promoter and bank charges.

Interest on loans from scheduled commercial banks and refinance from NHB grew by 55.77% from ₹ 1,130.31 million in Fiscal 2011 to ₹ 1,760.72 million in Fiscal 2012 due to an increase in such loans and refinance by 43.49% from ₹ 15,634.25 million in Fiscal 2011 to ₹ 22,433.02 million in Fiscal 2012. Interest on loans from scheduled commercial banks and refinance from NHB contributed 87.03% and 88.40% of our interest and other financial charges in Fiscal 2012 and 2011, respectively.

Interest on borrowings from our Promoter grew by 77.01% from ₹ 144.14 million in Fiscal 2011 to ₹ 255.14 million in Fiscal 2012, primarily on account of increased utilisation of cash credit facilities from our Promoter during the Fiscal 2012 as compared to Fiscal 2011. Interest on borrowings from our Promoter contributed 12.61% and 11.27% of our interest and other financial charges in Fiscal 2012 and 2011, respectively.

Employee benefit expenses

Our employee benefit expenses increased by 45.50% from ₹ 72.20 million in Fiscal 2011 to ₹ 105.05 million in Fiscal 2012 primarily due to an increase in salaries, wages and ex-gratia paid to employees by 41.33% from ₹ 59.81 million in Fiscal 2011 to ₹ 84.53 million in Fiscal 2012. The increase in salaries and wages was on account of increase in our number of employees from 231 as at March 31, 2011 to 350 as at March 31, 2012.

Other expenses

Our other expenses increased by 18.06% from ₹ 61.73 million in Fiscal 2011 to ₹ 72.88 million in Fiscal 2012, primarily on account of increase in rental expenses.

Our rental expenses increased by 43.06% from ₹ 13.40 million in Fiscal 2011 to ₹ 19.17 million in Fiscal 2012 primarily on account of an expansion of our branch network from 69 locations (branches and satellite centres) as at March 31, 2011 to 88 locations as at March 31, 2012.

Provision for NPAs

Our expenses in connection with provisioning for NPAs increased by 294.11% from ₹ 16.12 million in Fiscal 2011 to ₹ 63.53 million in Fiscal 2012, on account of increase in gross NPA by 52.04% from ₹ 251.90 million in Fiscal 2011 to ₹ 383.00 million in Fiscal 2012.

Provision for standard assets

Our expenses in connection with provisioning for standard assets increased by 6.89% from ₹ 28.46 million in Fiscal 2011 to ₹ 30.42 million in Fiscal 2012 on account of growth in our loan portfolio.

Depreciation and amortization expenses

Depreciation and amortization expenses increased by 2.80% from ₹ 15.73 million in Fiscal 2011 to ₹ 16.17 million in Fiscal 2012 due to an increase in our fixed assets by ₹ 19.39 million in Fiscal 2012.

Net profit/(loss) for the period

As a result of the above factors, our Company's net profit increased by 19.36% from ₹ 566.04 million in Fiscal 2011 to ₹ 675.64 million in Fiscal 2012.

Comparison of Fiscal 2011 and Fiscal 2010

Total income

Our total income increased by 37.58% from ₹ 1,642.27 million in Fiscal 2010 to ₹ 2,259.51 million in Fiscal 2011 primarily due to an increase in our revenue from operations.

Revenue from operations

Our revenue from operations increased by 37.91% from ₹ 1,635.41 million in Fiscal 2010 to ₹ 2,255.37 million in Fiscal 2011 primarily due to an increase in our interest income from Individual Home Loans and Loans Against Property by 40.48% from ₹ 1,505.68 million in Fiscal 2010 to ₹ 2,115.21 million in Fiscal 2011. The increase in our interest income from Individual Home Loans and Loans Against Property is due to a growth of our loan portfolio which was partly offset by a decrease in our average yields during such periods. Our outstanding loan portfolio grew by 47.27% from ₹ 14,080.12 million as on March 31, 2010 to ₹ 20,735.22 million as on March 31, 2011. Our average yield decreased from 12.84% per annum in Fiscal 2010 to 12.21% per annum in Fiscal 2011. Our interest from Individual Home Loans and Loans Against Property accounted for 93.79% and 92.07% of our revenue from operations for Fiscals 2011 and 2010, respectively.

Total expenditure

Our total expenditure increased by 43.30% from ₹ 1,034.53 million in Fiscal 2010 to ₹ 1,482.50 million in Fiscal 2011 primarily due to an increase in interest and other financial charges, employee benefit expenses and other expenses.

Interest and other financial charges

Our interest and other financial charges increased by 41.24% from ₹ 905.33 million in Fiscal 2010 to ₹ 1,278.67 million in Fiscal 2011 due to an increase in our long term borrowings (including current maturities of long term borrowings) by 43.24% from ₹ 10,937.87 million as at March 31, 2010 to ₹ 15,667.62 million as at March 31, 2011 and increase in the short term borrowings by 48.26% from ₹ 1,639.22 million in Fiscal 2010 to ₹ 2,430.31 million in Fiscal 2011, partly offset by a decrease in average cost of the borrowings availed by our Company, from 8.44% per annum in Fiscal 2010 to 8.22% per annum in Fiscal 2011.

Our interest and other financial charges comprise of interest on loans from scheduled commercial banks, interest on refinance from NHB, interest on borrowings from our Promoter and bank charges.

Interest on loans from scheduled commercial banks and refinance from NHB grew by 32.93% from ₹ 850.31 million in Fiscal 2010 to ₹ 1,130.31 million in Fiscal 2011 due to an increase in such loans and refinance by 43.51% from ₹ 10,894.26 million as at March 31, 2010 to ₹ 15,634.25 million as at March 31, 2011. Interest on loans from scheduled commercial banks and refinance from NHB contributed 88.40% and 93.92% of our interest and other financial charges in Fiscal 2011 and Fiscal 2010, respectively.

Interest on borrowings from our Promoter, grew by 190.49% from ₹ 49.62 in Fiscal 2010 to ₹ 144.14 in Fiscal 2011. This increase is primarily on account of increase in utilisation of cash credit facilities during the Fiscal 2011 as compared to Fiscal 2010 and rise in the borrowings from our Promoter which increased by 150.68% from ₹ 982.80

million as at March 31, 2010 to ₹ 2,463.69 million as at March 31, 2011. Interest on borrowings from our Promoter contributed 5.48% and 11.27% to our interest and other financial charges in Fiscal 2011 and Fiscal 2010, respectively.

Employee benefit expenses

Our employee benefit expenses increased by 51.59% from ₹ 47.63 million in Fiscal 2010 to ₹ 72.20 million in Fiscal 2011 primarily due to an increase in salaries, wages and ex-gratia paid to employees by 49.86% from ₹ 39.91 million in Fiscal 2010 to ₹ 59.81 million in Fiscal 2011. The increase in salaries and wages was on account of revision in salaries and wages as well as an increase in our number of employees from 194 as at March 31, 2010 to 231 as at March 31, 2011.

Other expenses

Our other expenses increased by 59.02% from ₹ 38.82 million in Fiscal 2010 to ₹ 61.73 million in Fiscal 2011, primarily on account of increase in rental expenses, increase in our advertising and business promotion expenses and increase in communication expenses.

Our rental expenses increased by 62.62% from ₹ 8.24 million in Fiscal 2010 to ₹ 13.40 million in Fiscal 2011 primarily on account of an expansion of our branch network from 51 locations (branches and satellite centres) as at March 31, 2010 to 69 locations as at March 31, 2011.

Our advertisement and business promotion expenses increased by 42.40% from ₹ 9.74 million in Fiscal 2010 to ₹ 13.87 million in Fiscal 2011 due to increased advertising including in the electronic and print media.

Our communication expenses increased by 182.89% from ₹ 2.28 million in Fiscal 2010 to ₹ 6.45 million in Fiscal 2011 due to shifting from broad band connection to leased line connection and due to increase in the number of terminals.

Provision for NPAs

Our expenses in connection with provisioning for NPAs increased by 33.22% from ₹ 12.10 million in Fiscal 2010 to ₹ 16.12 million in Fiscal 2011, on account of increase in gross NPA by 44.75% from ₹ 174.03 million in Fiscal 2010 to ₹ 251.90 million in Fiscal 2011.

Provision for standard assets

Our expenses in connection with provisioning for standard assets increased by 51.54% from ₹ 18.78 million in Fiscal 2010 to ₹ 28.46 million in Fiscal 2011 on account of growth in our loan portfolio.

Depreciation and amortization expenses

Depreciation and amortization expenses increased by 112.28% from ₹ 7.41 million in Fiscal 2010 to ₹ 15.73 million in Fiscal 2011 due to an increase in our fixed assets by ₹ 28.78 million in Fiscal 2011.

Net profit/(loss) for the period

As a result of the above factors, our Company's net profit increased by 28.74% from ₹ 439.69 million in Fiscal 2010 to ₹ 566.04 million in Fiscal 2011.

Comparison of Fiscal 2010 and Fiscal 2009

Total income

Our total income increased by 43.03% from ₹ 1,148.19 million in Fiscal 2009 to ₹ 1,642.27 million in Fiscal 2010 primarily due to an increase in our revenue from operations. Our other income decreased by 66.92% from ₹ 20.74 million in Fiscal 2009 to ₹ 6.86 million in Fiscal 2010.

Revenue from operations

Our revenue from operations increased by 45.05% from ₹ 1,127.45 million in Fiscal 2009 to ₹ 1,635.41 million in Fiscal 2010 primarily due to an increase in our interest income from Individual Home Loans and Loans Against Property by 44.98% from ₹ 1,038.53 million in Fiscal 2009 to ₹ 1,505.68 million in Fiscal 2010. The increase in our interest income from Individual Home Loans and Loans Against Property is due to a growth of our loan portfolio and an increase in our average yields during such periods. Our outstanding loan portfolio grew by 42.14% from ₹ 9,905.87 million as on March 31, 2009 to ₹ 14,080.12 million as on March 31, 2010. Our average yield increased from 12.74% per annum in Fiscal 2009 to 12.84% per annum in Fiscal 2010. Our interest from Individual Home Loans and Loans Against Property accounted for 92.07% and 92.11% of our revenue from operations for the Fiscals 2010 and 2009, respectively.

Other income

Our other income decreased by 66.92% from ₹ 20.74 million in Fiscal 2009 to ₹ 6.86 million in Fiscal 2010. Our Company had surplus funds in Fiscal 2009 which were kept in fixed deposits with banks which gave us an interest income. However in Fiscal 2010, these funds were withdrawn for business purposes.

Total expenditure

Our total expenditure increased by 30.16% from ₹ 794.85 million in Fiscal 2009 to ₹ 1,034.53 million in Fiscal 2010 primarily due to an increase in interest and other financial charges, employee benefit expenses and other expenses.

Interest and other financial charges

Our interest and other financial charges increased by 29.99% from ₹ 696.48 million in Fiscal 2009 to ₹ 905.33 million in Fiscal 2010 due to an increase in our long term borrowings (including current maturities of long term borrowings) by 28.79% from ₹ 8,492.97 million as at March 31, 2009 to ₹ 10,937.87 million as at March 31, 2010 and availing of short term borrowings aggregating to ₹ 1,639.22 million in Fiscal 2010 as compared to Nil short term borrowings in Fiscal 2009, which was offset by a decrease in average cost of the borrowings availed by our Company, from 9.64% per annum in Fiscal 2009 to 8.44% per annum in Fiscal 2010.

Our interest and other financial charges comprise of interest on loans from scheduled commercial banks, interest on refinance from NHB, interest on borrowings from our Promoter and bank charges.

Interest on loans from scheduled commercial banks and refinance from NHB grew by 32.99% from ₹ 639.37 million in Fiscal 2009 to ₹ 850.31 million in Fiscal 2010 due to an increase in such loans and refinance by 29.06% from ₹ 8,441.42 million as at March 31, 2009 to ₹ 10,894.26 million as at March 31, 2010 (including short term and long term borrowings). Interest on loans from scheduled commercial banks and refinance from NHB contributed 93.92% and 91.80% of our Interest and other financial charges in Fiscal 2010 and Fiscal 2009, respectively.

Interest on borrowings from our Promoter decreased by 7.75% from ₹ 53.79 in Fiscal 2009 to ₹ 49.62 in Fiscal 2010. Interest on borrowings from our Promoter contributed 5.48% and 7.72% to our Interest and other financial charges in Fiscal 2010 and Fiscal 2009, respectively.

Employee benefit expenses

Our employee benefit expenses increased by 32.60% from ₹ 35.92 million in Fiscal 2009 to ₹ 47.63 million in Fiscal 2010 primarily due to an increase in salaries, wages and ex-gratia paid to employees by 29.49% from ₹ 30.82 million in Fiscal 2009 to ₹ 39.91 million in Fiscal 2010. This increase in salaries and wages paid to employees was on account of an increase in the number of employees from 148 as at March 31, 2009 to 194 as at March 31, 2010. The increase in ex-gratia was on account of change in the policy for making ex-gratia payments to our employees. During Fiscal 2010 the ex-gratia amount payable per employee was increased to 30% of gross emoluments subject to a maximum of ₹ 30,000 from 25% subject to a maximum of ₹ 25,000 during Fiscal 2009.

Other expenses

Our other expenses increased by 25.83% from ₹ 30.85 million in Fiscal 2009 to ₹ 38.82 million in Fiscal 2010, primarily on account of increase in rental expenses, rates & taxes and advertisement and business promotion expenses and a decrease in professional & consultancy fee.

Our rental expenses increased by 49.82% from ₹ 5.5 million in Fiscal 2009 to ₹ 8.24 million in Fiscal 2010 primarily on account of an expansion of our branch network from 42 locations (branches and satellite centres) as at March 31, 2009 to 51 locations as at March 31, 2010.

Our rates & taxes increased by 363.64% from ₹ 0.77 million in Fiscal 2009 to ₹ 3.57 million in Fiscal 2010 on account of service tax paid by the company on pre-payment charges collected during the previous years.

Our advertisement & business promotion expenses increased by 29.69% from ₹ 7.51 million in Fiscal 2009 to ₹ 9.74 million in Fiscal 2010 on account of growth in business.

Our professional & consultancy fees decreased by 51.84% from ₹ 5.96 million in Fiscal 2009 to ₹ 2.87 million in Fiscal 2010 on account of ₹ 2.38 million as consultancy fees paid to Overseas Private Investment Corporation, U.S.A for a prospective external commercial borrowing and ₹ 2.55 million to ICRA Limited for rating of its long term borrowings during Fiscal 2009.

Provision for NPAs

Our expenses in connection with provisioning for NPAs increased by 109.71% from ₹ 5.77 million in Fiscal 2009 to ₹12.10 million in Fiscal 2010, on account of increase in gross NPA by 83.79% from ₹ 94.69 million in Fiscal 2009 to ₹ 174.03 million in Fiscal 2010.

Provision for standard assets

Our expenses in connection with provisioning for standard assets increased by 24.21% from ₹ 15.12 million in Fiscal 2009 to ₹ 18.78 million in Fiscal 2010 on account of growth in our loan portfolio.

Depreciation and amortization expenses

Depreciation and amortization expenses increased by 69.57% from ₹ 4.37 million in Fiscal 2009 to ₹ 7.41 million in Fiscal 2010, due to an increase in our fixed assets by ₹ 14.28 million in Fiscal 2010.

Net profit/(loss) for the period

As a result of the above factors, our net profit increased by 74.88% from ₹ 251.42 million in Fiscal 2009 to ₹ 439.69 million in Fiscal 2010.

FINANCIAL CONDITION

Total Assets

The following table sets forth the principal components of our total assets as of September 30, 2012 and 2011 and March 31, 2012, 2011, 2010 and 2009:

(₹ in million)

Particulars	As at September 30, 2012	As at September 30, 2011	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009
Non-current assets						
Total fixed assets (tangible and intangible assets)	32.40	31.66	33.18	29.97	17.34	10.56
Non-current investments	80.50	20.50	80.50	20.50	20.50	0.50
Deferred tax assets (net)	97.67	70.94	79.30	27.56	18.53	11.58
Long term loans and advances	29,071.13	22,863.24	26,291.11	19,339.52	13,072.55	9,310.29
Total (A)	**29,281.70**	**22,986.34**	**26,484.09**	**19,417.55**	**13,128.92**	**9,332.93**
Current assets						
Current investment	-	-	-	-	-	10.74
Cash and bank balances	165.58	92.16	175.02	84.55	641.81	345.54
Short-term loans and advances	1,957.12	1,454.55	1,779.61	1,418.71	1,021.38	603.65
Other current assets	86.10	66.41	69.17	51.95	35.77	23.92
Total (B)	**2,208.80**	**1,613.12**	**2,023.80**	**1,555.21**	**1,698.96**	**983.85**
Total assets (A+B)	**31,490.50**	**24,599.46**	**28,507.89**	**20,972.76**	**14,827.88**	**10,316.78**

Our total assets increased by 28.01% from ₹ 24,599.46 million as at September 30, 2011 to ₹ 31,490.50 million as at September 30, 2012, by 35.93% from ₹ 20,972.76 million as of March 31, 2011 to ₹ 28,507.89 million as of March 31, 2012, by 41.44% from ₹ 14,827.88 million as of March 31, 2010 to ₹ 20,972.76 million as of March 31, 2011, and by 43.73% from ₹ 10,316.78 million as of March 31, 2009 to ₹ 14,827.88 million as of March 31, 2010. Long term loans and advances constituted 92.32%, 92.94%, 92.22%, 92.21%, 88.16% and 90.24% of our total assets as at September 30, 2012, September 30, 2011, March 31, 2012, 2011, 2010 and 2009, respectively.

Long term loans and advances

Our long term loans and advances grew by 27.15% from ₹ 22,863.24 million as at September 30, 2011 to ₹ 29,071.13 million as at September 30, 2012, by 35.95% from ₹ 19,339.52 million as at March 31, 2011 to ₹ 26,291.11 million as at March 31, 2012, by 47.94% from ₹ 13,072.55 million as at March 31, 2010 to ₹ 19,339.52 million as at March 31, 2011, and by 40.41% from ₹ 9,310.29 million as at March 31, 2009 to ₹ 13,072.55 million as at March 31, 2010.

Our short term loans and advances grew by 34.55% from ₹ 1,454.55 million as at September 30, 2011 to ₹ 1,957.12 million as at September 30, 2012, by 25.44% from ₹ 1,418.71 million as at March 31, 2011 to ₹ 1,779.61 million as at March 31, 2012, by 38.90% from ₹ 1,021.37 million as at March 31, 2010 to ₹ 1,418.71 million as at March 31, 2011, and by 69.20% from ₹ 603.65 million as at March 31, 2009 to ₹1,021.37 million as at March 31, 2010.

The growth in long term and short term loans and advances is driven by growth in our Individual Home Loans and Loans Against Property.

Our Individual Home Loans and Loans Against Property grew by 27.55% from ₹ 24,286.95 million as at September 30, 2011 to ₹ 30,978.03 million as at September 30, 2012, by 35.14% from ₹ 20,735.22 million as of March 31, 2011 to ₹ 28,021.55 million as of March 31, 2012, by 47.27% from ₹ 14,080.12 million as of March 31, 2010 to ₹ 20,735.22 million as of March 31, 2011, and by 42.14% from ₹ 9,905.87 million as of March 31, 2009 to ₹ 14,080.12 million as of March 31, 2010. The growth in our Individual Home Loans and Loans Against Property was driven by new customer additions, expansion of branches and satellite centres, and increase in the average loan size as given in the table below:

Particulars	Six months period ended September 30, 2012	Six months period ended September 30, 2011	Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2009
Gross customer additions	3,748	4,522	8,906	8,807	5,934	4,715
Number of new branches and satellite centres	5	4	16	18	9	9
Average loan size (` in million)	0.93	0.85	0.89	0.81	0.70	0.61

Total Liabilities

The following table sets forth the principal components of our total liabilities as of September 30, 2012 and September 30, 2011, March 31, 2012, March 31, 2011, March 31, 2010 and March 31, 2009:

(₹ in million)

Particulars	As at September 30, 2012	As at September 30, 2011	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009
Non-current liabilities						
Long-term borrowings	19,684.21	15,143.76	17,702.13	13,064.15	9,057.31	6,945.53
Long term provisions	304.89	206.02	246.18	148.83	102.52	70.51
Total (A)	**19,989.10**	**15,349.78**	**17,948.31**	**13,212.98**	**9,159.83**	**7,016.04**
Current liabilities						
Short-term borrowings	3,066.61	2,840.11	2,405.15	2,430.31	1,639.22	0.00
Current maturity of long term borrowings	4,601.94	3,313.52	4,753.15	2,603.47	1,880.56	1,547.43
Other current liabilities	427.54	351.36	288.21	247.44	156.25	165.54
Short-term provisions	16.53	5.10	80.44	62.19	87.71	68.81
Total (B)	**8,112.62**	**6,510.09**	**7,526.95**	**5,343.41**	**3,763.74**	**1,781.78**

Total (A+B)	28,101.72	21,859.87	25,475.26	18,556.39	12,923.57	8,797.82

Our total liabilities increased by 28.55% from ₹ 21,859.87 million as at September 30, 2011 to ₹ 28,101.72 million as at September 30, 2012, by 37.29% from ₹ 18,556.39 million as at March 31, 2011 to ₹ 25,475.26 million as at March 31, 2012, by 43.59% from ₹ 12,923.57 million as at March 31, 2010 to ₹ 18,556.39 million as at March 31, 2011, and by 46.90% from ₹ 8,797.82 million as at March 31, 2009 to ₹ 12,923.57 million as at March 31, 2010. The increase in total liabilities was primarily on account of increase in long term borrowings (including current maturities of long term borrowings) which comprised of 86.42%, 88.15%, 84.43%, 84.64% and 96.53% as at September 30, 2012, March 31, 2012, 2011, 2010 and 2009, respectively.

Long term borrowings (including current maturities of long term borrowings)

Our long term borrowings (including current maturities of long term borrowings) increased by 31.58% from ₹ 18,457.28 million as at September 30, 2011 to ₹ 24,286.15 million as at September 30, 2012, by 43.32% from ₹ 15,667.62 million as of March 31, 2011 to ₹ 22,455.28 million as of March 31, 2012, by 43.24% from ₹ 10,937.87 million as of March 31, 2010 to ₹ 15,667.62 million as of March 31, 2011, and by 28.79% from ₹ 8,492.96 million as of March 31, 2009 to ₹ 10,937.87 million as of March 31, 2010. The rise in long term borrowings (including current maturities of long term borrowings) was on account of higher borrowings by our Company, which was utilised to grant Individual Home Loans and Loans Against Property.

Long term borrowings (including current maturities of long term borrowings) comprise of loans from scheduled commercial banks, refinance from NHB and term loans from our Promoter as set out in the table below.

(₹ in million)

Particulars	As at September 30, 2012	As at September 30, 2011	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009
Loans from scheduled commercial banks	12,143.52	7,921.56	10,690.02	6,884.89	3,796.93	3,979.10
Refinance from NHB	12,126.37	10,507.80	11,743.00	8,749.35	7,097.33	4,462.31
Term loans from our Promoter	16.26	27.92	22.26	33.38	43.62	51.55
Total	**24,286.15**	**18,457.28**	**22,455.28**	**15,667.62**	**10,937.88**	**8,492.96**

Short term borrowings

Short term borrowings includes cash credit from our Promoter. The short term borrowings was ₹ 3,066.61 million, ₹ 2,840.11 million ₹ 2,405.15 million, ₹ 2,430.31 million, ₹ 1,639.22 million and Nil as of September 30, 2012, September 30, 2011, March 31, 2012, 2011, 2010 and 2009, respectively. The increase/decrease in short term borrowing from Promoter represents draw down of funds from our Promoter on an opportunistic basis depending on the demand for loans, liquidity and the prevailing interest rates.

Shareholders Funds

Shareholders funds comprises of share capital and reserves and surplus. The following table sets out the shareholders funds as of September 30, 2012, September 30, 2011, March 31, 2012, 2011, 2010 and 2009.

Particulars	As at September 30, 2012	As at September 30, 2011	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009
Shareholders Funds (₹ in million)	3,388.78	2,739.59	3,032.63	2,416.37	1,904.31	1,518.96

Increase in shareholders funds for each of the above mentioned periods is on account of retained earnings.

ASSET QUALITY, PROVISIONS AND WRITE OFFS

The NHB Guidelines prescribe norms for categorization of loans in terms of standard assets, sub-standard assets, doubtful assets and loss assets, and provisioning in respect of each category. For more details, please see the section titled "*Selected Statistical Information*" beginning on page 152.

The following table sets out the NPA levels and the provisions for NPAs as at September 30, 2012, September 30, 2011, March 31, 2012, 2011, 2010 and 2009.

(in ₹million except percentages)

Particulars	As at September 30, 2012	As at September 30, 2011	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009
Gross NPA	656.11	428.43	383.00	251.90	174.03	94.69
Provisions for NPAs	166.15	95.51	118.12	54.60	38.48	26.37
Net NPA	489.96	332.92	264.68	197.30	135.55	68.32
Gross NPA (%)	2.12%	1.76%	1.37%	1.21%	1.24%	0.96%
Net NPA (%)	1.60%	1.38%	0.95%	0.95%	0.97%	0.69%

Provisions for NPAs increased by 73.96% from ₹ 95.51 million as of September 30, 2011 to ₹ 166.15 million as of September 30, 2012, by 116.34% from ₹ 54.60 million as of March 31, 2011 to ₹ 118.12 million as of March 31, 2012, by 41.89% from ₹ 38.48 million as of March 31, 2010 to ₹ 54.60 million as of March 31, 2011, and by 45.92% from ₹ 26.37 million as of March 31, 2009 to ₹ 38.48 million as of March 31, 2010, primarily due to increase in gross NPA.

The following table sets out the details of provisioning for Standard Assets for the six month periods ended September 30, 2012 and September 30, 2011 and for the years ended March 31, 2012, 2011, 2010 and 2009.

Particulars	For the six months period ended September 30, 2012	For the six months period ended September 30, 2011	For the year ended March 31, 2012	For the year ended March 31, 2011	For the year ended March 31, 2010	For the year ended March 31, 2009
Provision for Standard Assets	11.11	14.32	30.42	28.46	18.78	15.12

For further details on our provisioning, please see the section titled "*Our Business – Non Performing Assets and Provisioning*" on page 85.

LIQUIDITY AND CAPITAL RESOURCES

We need capital primarily to finance new housing loans. We fund our capital requirements through a variety of sources, including loans from scheduled commercial banks, refinance from NHB and borrowings from our Promoter.

The following table provides a summary of our long term borrowings (including current maturities of long term borrowings) and short term borrowings and debt to equity ratio as at September 30, 2012, September 30, 2011, March 31, 2012, 2011, 2010 and 2009.

Particulars	As at September 30, 2012	As at September 30, 2011	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009
Long term borrowings (including current maturities of long term borrowings) and short term borrowings (₹ in million)	27,352.76	21,297.39	24,860.43	18,097.93	12,577.09	8,492.96
Debt to Equity Ratio	8.07	7.77	8.20	7.49	6.60	5.59

As of September 30, 2012, 38.92% of our existing borrowings are on a fixed interest rate and 61.08% of our borrowings are on a floating interest rate. The average tenor of our loans outstanding is 7.17 years. For details of the debt funds raised by the Company, please see the section titled "*Financial Indebtedness*" beginning on page 157.

CASH FLOWS

Set forth below is a summary of our cash flow data for the periods indicated.

(in ₹ million)

Particulars	For the six months period ended September 30, 2012	For the six months period ended September 30, 2011	For the Year ended March 31, 2012	For the Year ended March 31, 2011	For the Year ended March 31, 2010	For the Year ended March 31, 2009
Cash and cash equivalents at the beginning of the year	174.88	84.40	84.40	641.66	345.39	409.96
Net cash flows generated from (used in) operating activities	495.61	393.54	658.78	609.31	389.54	245.47
Net cash flows generated/ (used in) investing activities	(5.04)	(6.72)	(78.67)	(24.21)	(10.51)	279.42
Net cash flows generated from/(used in) financing activities	(500.01)	(379.21)	(489.63)	(1,142.36)	(82.76)	(589.47)
Net increase/(decrease) in cash and cash equivalents	(9,44)	7.61	90.48	(557.26)	296.27	(64.57)
Cash and cash equivalents at the end of	165.44	92.01	174.88	84.4	641.66	345.39

Particulars	For the six months period ended September 30, 2012	For the six months period ended September 30, 2011	For the Year ended March 31, 2012	For the Year ended March 31, 2011	For the Year ended March 31, 2010	For the Year ended March 31, 2009
the year						

The cash and cash equivalents increased by ₹ 90.48 million in Fiscal 2012, decreased by ₹ 557.26 million in Fiscal 2011, increased by ₹ 296.27 million in Fiscal 2010 and decreased by ₹ 64.57 million in Fiscal 2009.

CAPITAL ADEQUACY

We are required to maintain a minimum CRAR of 12% as per the NHB Directions, 2010. As per our restated audited financial statements, the following table sets forth information relating to our CRAR as at September 30, 2012, September 30, 2011, March 31, 2012, 2011, 2010 and 2009.

Particulars	As at September 30, 2012	As at September 30, 2011	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009
CRAR (%)	15.94%	16.90%	16.50%	18.21%	21.13%	24.98%

For more information see "*Our Business – Capital Adequacy and Sources of Funding*" on page 86.

CONTINGENT LIABILITIES

The contingent liabilities of our Company not provided for as of September 30, 2012 are as mentioned in the table below:

(in ₹million)

Particulars	As at September 30, 2012
Claims against Company not acknowledged as debts	2.10
Disputed income tax liability	2.04

For further details, please see "*Annexure XXIII – Statement of Contingent Liabilities, as restated*" under the section titled "*Financial Statements*" on page F-37.

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

For details in relation to the related party transactions, please see "*Annexure XXII – Related Party Disclosures*" under the section titled "*Financial Statements"* on page F-35.

QUALITATIVE DISCLOSURE ABOUT MARKET RISKS

As a lending institution, our operations are exposed to market risks. Some of the key risks include (i) competition risks; (ii) policy risks; (iii) exposure risks; (iv) funding risks; (v) credit risks; (vi) asset liability mismatch risks; and (vii) yield risks. Our Company has developed internal policies and processes in order to mitigate such risks. For further details, please see the section titled "*Our Business*" beginning on page 76.

Unusual or Infrequent Events or Transactions

Except as described in this Red Herring Prospectus, to our knowledge, there have been no events or transactions that may be described as "unusual" or "infrequent".

Significant Economic Changes that Materially Affected or are Likely to Affect Income from Continuing Operations

Except as described in the section titled "*Industry Overview*" beginning on page 63, to our knowledge, there are no significant economic changes that materially affected or are likely to affect our income from continuing operations.

Known Trends or Uncertainties

Other than as described in this Red Herring Prospectus, particularly in the sections "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages xiii and 130, respectively, to our knowledge, there are no trends or uncertainties that have or had or are expected to have a material adverse impact on our income from continuing operations.

Future Relationship between Costs and Income

Other than as described in the sections "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages xiii and 130, respectively, to our knowledge, there are no known factors which will have a material adverse impact on our operations and finances.

New Products or Business Segments

We have not announced any new products or business segments in the three preceding Fiscal years.

Seasonality of Business

We do not believe our business to be seasonal.

Significant Dependence on a Single or Few Customers

Our Company has a diversified customer base and are not dependent on a single or a few customers. Our customer base is as described in the sections *"Our Business",* "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 76, xiii and 130, respectively.

Competitive Conditions

Please see the sections titled "*Our Business – Competition"*, "*Industry Overview*" and "*Risk Factors*" beginning on pages 89, 63 and xiii, respectively, for discussions regarding competition.

RECENT DEVELOPMENTS

Listed below is the recent development in our Company since September 30, 2012:

First Carlyle Growth VI ("**Carlyle**") has transferred (i) 6,192,100 Equity Shares constituting 13.33% of the equity share capital of the Company to WCP Holdings III; (ii) 4,639,434 Equity Shares constituting 9.99% of the equity share capital of the Company to Creador 1 LLC. Further Carlyle and certain of its co-investors have transferred 1,289,100 Equity Shares in the aggregate constituting 2.78% of the equity share capital of the Company to Mixon Holdings Private Limited, Shardul Securities Limited, Mr. Rohit Kothari, Pannalal C Kothari (HUF), GCIL Finance Limited, Visaria Securities Private Limited, Ashwin Kumar Kothari (HUF), Antique Stock Broking Limited, Merit Credit Corporation Limited, and Mr. Tejal Kothari. Post the aforementioned transfer of Equity Shares, Carlyle currently holds 23.75% of the equity share capital of the Company.

SELECTED STATISTICAL INFORMATION

The following information should be read together with our financial statements included in this Red Herring Prospectus and the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 130. The financial information presented in this section are based on our restated financial statements prepared in accordance with Indian GAAP and internally generated statistical data.

Yields, Spreads and Margins

The following table sets forth, for the periods indicated, the yields, spreads and interest margins on our interest-earning assets.

(in ₹ million, except percentages)

Particulars	Six months period ended September 30		Year ended March 31				
	2012	2011	2012	2011	2010	2009	2008
Average interest-earning assets	29,499.94	22,511.25	24,378.54	17,543.91	12,153.52	8,625.23	5,613.78
Average interest-earning assets as a percentage of average total assets (%)	98.34	98.79	98.54	98.01	96.67	98.07	95.27
Average interest-bearing liabilities	26,359.62	19,885.67	21,687.05	15,498.84	10,659.14	7,190.96	4,845.03
Average interest-bearing liabilities as a percentage of average total assets (%)	87.87	87.27	87.66	86.58	84.78	81.76	82.22

(in ₹ million, except percentages)

Particulars	Six months period ended September 30		Year ended March 31				
	2012	2011	2012	2011	2010	2009	2008
Interest income	1,825.30	1,390.58	3,055.88	2,142.45	1,560.92	1,098.55	651.46
Interest expense	1,252.89	912.69	2,015.85	1,274.45	899.93	693.16	420.77
Net Interest Income	572.41	477.89	1,040.03	868.00	660.99	405.39	230.69
Net Interest Margin (%)	3.82*	4.20*	4.20	4.85	5.26	4.61	3.91
Yield (%)	12.38*	12.36*	12.54	12.21	12.84	12.74	11.60
Cost of Funds (%)	9.50*	9.18*	9.30	8.22	8.44	9.64	8.68
Spread (%)	2.88*	3.18*	3.24	3.99	4.40	3.10	2.92

** Annualised figures*

Note:

1. Interest income on interest-earning assets includes penal interest charged on the customers.
2. Yield represents yield on average interest earning assets and cost of funds represents cost of funds relating to average interest bearing liabilities.
3. Net interest income represents difference of interest income and interest expense.
4. NIM represents the percentage of net interest income to average total assets.
5. Average interest earning assets and interest earning liabilities for the six month period ended September 30, 2011 represents average of interest earning assets/borrowings as at March 31, 2011 and as at September 30, 2011. Similarly average interest earning assets and interest earning liabilities for the six month period ended September 30, 2012 represents average of interest earning assets/borrowings as at March 31, 2012 and as at September 30, 2012.

6. Average interest earning assets (other than advances) is arrived at based on monthly weighted average of such assets for the respective years.

Return on Equity and Assets

The following table presents selected financial ratios for the periods indicated.

(in ₹million, except percentages)

Particulars	Six months period ended September 30		Year ended March 31				
	2012	2011	2012	2011	2010	2009	2008
Interest income	1,825.30	1,390.58	3,055.88	2,142.45	1,560.92	1,098.55	651.46
Average total assets	29,999.20	22,786.12	24,740.33	17,900.33	12,572.34	8,794.93	5,892.52
Average Net worth	3,210.71	2,577.99	2,724.51	2,160.35	1,711.64	1,423.09	891.58
Net profit	356.14	323.23	675.64	566.04	439.69	251.42	150.87
RoANW (Net profit to average net worth) (%)	*22.18	*25.08	24.80	26.20	25.69	17.67	16.92
ROA (Net profit to average total assets) (%)	*2.38	*2.84	2.73	3.16	3.50	2.86	2.56

***Annualised**

Investment Portfolio

As of March 31, 2012 and 2011 the Company's investments were ₹ 80.5 million and ₹ 20.5 million in Repco Infrastructure Development Company Limited and Repco MSME Finance and Development Limited. As of March 31, 2010, 2009 and 2008 the Company's net investments were ₹ 20.50 million ₹ 11.24 million, and ₹ 33.15 million in the form of investment in associate companies and shares and mutual funds in the available for sale segment.

Borrowings

The following table sets forth, for the periods indicated, information related to our borrowings, which are comprised primarily of loans from banks and our Promoter (55.24%), refinancing from NHB (44.76%) as at September 30, 2012.

(in ₹million, except percentages)

Particulars	Six months period ended September 30		Year ended March 31				
	2012	2011	2012	2011	2010	2009	2008
Average Balance of Borrowings	26,359.62	19,885.67	21,687.05	15,498.84	10,659.14	7,190.96	4,845.03
Interest paid during the year	1252.89	912.69	2,015.85	1,274.45	899.93	693.16	420.77
Average interest rate during the period (1) (%)	*9.50	*9.18	9.30	8.22	8.44	9.64	8.68
Weighted average interest rate as at March 31, (2) (%)	9.61	9.49	9.59	8.92	8.32	9.71	9.39
Period end balance of Borrowings	27,617.54	21,498.93	25,101.70	18,272.41	12,725.26	8,593.01	5,788.91

***Annualised**

(1) Represents the ratio of interest expense on borrowings to the average balances of borrowings.

(2) Represents the weighted average interest rate of borrowings outstanding as of March 31, 2012, 2011, 2010, 2009, and 2008.

Maturity and Interest Rate Sensitivity of Loans

The following table sets forth, for the periods indicated, the interest rate sensitivity of our loans:

(in ₹ million)

Interest rate classification of loans by maturity	Year ended March 31, 2012			
	Due in one year or less	**Due in one to five years**	**Due after five years**	**Total**
Variable Rates	1,754.00	8,286.00	17,981.50	28,021.55
Fixed Rates	Nil	Nil	Nil	Nil
Total	**1,754.00**	**8,286.00**	**17,981.50**	**28,021.55**

Concentration of Customers

The following table sets forth our loan portfolio outstanding categorised by customer type.

(in ₹ million, except percentages)

Customer Type	As at six months period ended September 30, 2012		As at six months period ended September 30, 2011		As of March 31,									
					2012		**2011**		**2010**		**2009**		**2008**	
	Loans	**% of Total**	**Loans**	**% of Total**	**Loans**	**% of Total**	**Loans**	**% of Total**	**Loans**	**% of Total**	**Loans**	**% of Total**	**Loans**	**% of Total**
Salaried	14,649.42	47.29	11,156.92	45.94	13,031.42	46.50	9,318.64	44.94	6,212.07	44.12	4,569.95	46.13	3,265.26	49.85
Non-Salaried	16,328.61	52.71	13,130.03	54.06	14,990.19	53.50	11,416.58	55.06	7,868.05	55.88	5335.92	53.87	3285.57	50.15
Total	**30,978.03**	**100.00**	**24,286.95**	**100.00**	**28,021.55**	**100.00**	**20,735.22**	**100.00**	**14,080.12**	**100.00**	**9,905.87**	**100.00**	**6,550.83**	**100.00**

Non-Performing Assets

The following table sets forth, for the periods indicated, information about our NPA portfolio:

(in ₹ million, except percentages)

Particulars	As at six months period ended September 30, 2012	As at six months period ended September 30, 2011	As of or for the year ended March 31				
			2012	**2011**	**2010**	**2009**	**2008**
Gross NPAs	656.11	428.43	383.00	251.90	174.03	94.69	82.23
Provisions for NPAs	166.15	95.51	118.12	54.60	38.48	26.37	20.61
Net NPAs	489.96	332.92	264.68	197.30	135.55	68.32	61.62
Gross loan portfolio	30,978.03	24,286.95	28,021.55	20,735.22	14,080.12	9,905.87	6,550.83
Net loan portfolio	30,811.98	24,191.46	27756.87	20,680.62	14,041.64	9,879.50	6,530.22
Gross NPAs/Gross loan portfolio (%)	2.12	1.76	1.37	1.21	1.24	0.96	1.26
Net NPAs/Net	1.60	1.38	0.95	0.95	0.97	0.69	0.94

Loan portfolio (%)							
Total provisions as a percentage of gross NPAs (%)	**25.32**	**22.29**	**30.84**	**21.68**	**22.11**	**27.85**	**25.06**

Recognition of Non-Performing Assets

We classify our loan assets in accordance with the NHB Directions, 2010. For further details, please see the section titled *"Our Business – Non-Performing Assets and Provisioning"* on page 85.

(in ₹ million, except percentages)

Particulars	**As at six month period ended September 30, 2012**		**As at six month period ended September 30, 2011**		**As of March 31,**									
					2012		**2011**		**2010**		**2009**		**2008**	
	Amount	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Individual Home Loans:														
Sub-Standard	351.70	53.60	268.56	62.68	175.96	45.94	137.78	54.70	104.70	60.16	35.85	37.86	30.58	37.18
Doubtful	188.70	28.76	104.45	24.38	161.27	42.10	73.13	29.03	36.51	20.98	39.75	41.98	32.70	39.76
Loss	0	0	4.53	1.06	0	0	0	0	0	0	0	0	0.89	1.08
Total	**540.40**	**82.36**	**377.54**	**88.12**	**337.23**	**88.04**	**210.91**	**83.73**	**141.21**	**81.14**	**75.6**	**79.84**	**64.17**	**78.02**
Loans Against Property:														
Sub-Standard	92.08	14.03	25.44	5.94	24.80	6.48	22.60	8.97	20.78	11.94	8.46	8.93	9.40	11.43
Doubtful	23.63	3.61	23.98	5.60	20.97	5.48	18.40	7.30	12.05	6.92	10.62	11.22	8.67	10.54
Loss	0	0	1.47	0.34	0	0	0	0	0	0	0	0	0	0
Total	**115.71**	**17.64**	**50.89**	**11.88**	**45.77**	**11.96**	**41.00**	**16.27**	**32.83**	**18.86**	**19.08**	**20.15**	**18.07**	**21.97**

Note: The percentage indicates the gross outstanding/gross NPA (%)

Non Accrual Policy

In respect of Non Performing Assets, interest income is not recognised unless the interest demand is paid by the borrower. In accordance with NHB guidelines, interest realised on NPAs may be credited as income, provided that the interest does not relate to additional credit facilities sanctioned to the borrower. NHB has also stipulated that in the absence of a clear agreement between us and the borrower for the purpose of appropriating recoveries in NPAs (*i.e.* towards principal or interest due), HFCs should adopt an accounting principle and exercise the right of appropriation of recoveries in a uniform and consistent manner. In the case of NPAs where recoveries are effected, our policy is to appropriate the same against interest.

Provisions on standard loans

In accordance with the NHB guidelines, the general provision on standard assets has been made at 0.40% of the outstanding amount on a portfolio basis, with the exception of Standard advances relating to Commercial Real estate portfolio in respect of which provision is made at 1%.

Restructuring of Debt

NHB has not prescribed guidelines for restructuring of loans. However, the company has restructured loans of certain borrowers based on merits / requirements warranting restructuring in order to tide over temporary setback in repayment of loans availed by the borrowers.

FINANCIAL INDEBTEDNESS

Set forth below is a brief summary of our Company's secured borrowings (together with a brief description of certain terms of such financing arrangements) which constitute fund based limits aggregating to ₹ 29,149.96 million as of December 31, 2012. Our Company has not availed of any unsecured loans as of December 31, 2012.

Sr. No.	Name of lender	Loan documents	Amount sanctioned (in ₹ million)	Amount outstanding as of December 31, 2012 (in ₹ million)	Tenure (in months)	Rate of interest (per annum) as on December 31, 2012	Repayment	Prepayment terms (if any)	Security
Term Loans									
1.	Axis Bank	Sanction letter dated February 19, 2011; letter of modification, general power of attorney, term loan agreement and deed of hypothecation of book debts dated March 09, 2011	1,000.00	220.77	84	11.00% (Banks base rate + 1%, per annum, payable monthly). The spread over base rate would be reset every year. The first reset shall be at the end of 12 months from the date of first disbursement. In the case the revised rate of interest is not acceptable, our Company shall have the right to prepay the outstanding loan on the spread reset dates without any prepayment penalty by giving 30 days advance notice	24 quarterly payments of ₹ 41.67 million each. Moratorium period of 12 months.	At the time of spread reset, prepayment may be made with one month's notice. Further the borrower shall have the option of pre paying the loan to the extent of pre payment by its customers subject to a maximum of 10% of the outstanding loan amount each year. Other than the above, on the bank's terms and conditions.	Exclusive first charge on the standard assets portfolio of receivables arising out of the bank's term loan, an irrevocable power of attorney in the bank's favour for recovery of monies and housing loan repayments by way of onward lending of this term loan to individual borrowers of our Company to be routed through the bank

Sr. No.	Name of lender	Loan documents	Amount sanctioned (in ₹ million)	Amount outstanding as of December 31, 2012 (in ₹ million)	Tenure (in months)	Rate of interest (per annum) as on December 31, 2012	Repayment	Prepayment terms (if any)	Security
2.	Corporation Bank	Sanction letter dated June 27, 2011; agreement for term loan and hypothecation deed dated June 29, 2011 and revised sanction letter dated August 1, 2011	1,000.00	958.65	126	10.75% (10.50% (fixed) with annual reset. However the rate of interest shall not be less than the banks base rate at any point of time). The bank reserves the right to reset the rate of interest with annual reset option.	20 half yearly instalments of ₹ 50 million each. Moratorium period of 6 months.	Prepayment charges waived if are paid out of internal accruals of our Company or rate of interest is not found favourable at the time of reset	Hypothecation and assignment of specific book debts of our Company to the extent of its liability to the bank with a margin of 5%
		Sanction letter dated December 28, 2010 along with letter of modification dated December 30, 2010; agreement for term loan and hypothecation deed dated December 31, 2010 and revised sanction letter dated August 1, 2011	1,000.00	899.48	126	10.75% (10.50% (fixed) with annual reset. However the rate of interest shall not be less than the banks base rate at any point of time). The bank reserves the right to revise the rate of interest. Interest rate can be reset once in six months.	20 half yearly instalments of ₹ 50 million each. Moratorium period of 6 months.	None	Hypothecation and assignment of specific book debts of our Company to the extent of its liability to the bank

Sr. No.	Name of lender	Loan documents	Amount sanctioned (in ₹ million)	Amount outstanding as of December 31, 2012 (in ₹ million)	Tenure (in months)	Rate of interest (per annum) as on December 31, 2012	Repayment	Prepayment terms (if any)	Security
		Sanction letter dated June 28, 2012, Term loan agreement, common deed of hypothecation of movables/assets and debts dated September 28, 2012	1,000.00	1009.13	126	10.75% (Base rate + 0.50%), subject to annual reset	20 half yearly instalments of ₹ 50 million each. Moratorium period of 6 months.	None	Assignment of specific book debts of our Company to the extent of its liability with a margin of 5%
		Sanction letter dated December 26, 2012, Term loan agreement dated December 31, 2012, common deed of hypothecation of movables/assets and debts dated December 31, 2012	2,000.00	150.27	126	10.60% (Base rate + 0.10%, with an option to reset spread on annual basis. First such reset shall fall due at the end of first year from the date of first disbursement. Rate of interest shall be subject to revision from time to time. The Bank reserves the right to revise the rate of interest based on gradation or other reasons at the sole discretion of the bank at any point of time.)	20 half yearly instalments of ₹ 100 million each. Moratorium period of 6 months.	None	Assignment of specific book debts of our Company to the extent of its liability with a margin of 10%
3.	HDFC Bank Limited	Sanction letter, loan agreement, letter of general lien and set off, demand promissory note and power of attorney dated February 17, 2011 and addendum letter dated August 6, 2011	350.00	284.38	60	10.75% (linked with bank's base rate excluding interest tax calculated and payable with quarterly/monthly rests, or such other rate as may be stipulated by the bank in its absolute discretion from	16 quarterly instalments of ₹ 21.88 million each. Moratorium period of 12 months.	None	Charge on book debts and receivables of our Company

Sr. No.	Name of lender	Loan documents	Amount sanctioned (in ₹ million)	Amount outstanding as of December 31, 2012 (in ₹ million)	Tenure (in months)	Rate of interest (per annum) as on December 31, 2012	Repayment	Prepayment terms (if any)	Security
						time to time.)			
		Loan agreement, Letter of hypothecation of stocks and book debts and Sanction letter dated August 8, 2011	350.00	311.11	60	10.45% (linked with the base rate)	For term loan I- 16 equal quarterly instalments of ₹ 21.87 million each. Moratorium period of 12 months. For term loan II- 18 equal quarterly instalments of ₹ 19.44 million each. Moratorium period of 6 months.	None	Exclusive first charge on all the book debts of the company both present & future to secure the due repayment of the credit facilities along with interest, costs, charges and other dues that may any time hereafter become due and owing to the bank in respect of and under the credit facilities.
		Sanction letter dated March 15, 2012; letter of continuity for demand promissory note, letter of general lien and set off, letter of hypothecation of book debts, power of attorney for hypothecated book debts and loan agreement dated March 31, 2012.	300.00	300.00	84	10.45% (linked with the base rate)	26 equal quarterly instalments of ₹ 11.54 million each. Moratorium period of 6 months.	None	Charge on book debts/receivables of our Company. Irrevocable power of attorney to create a charge on the assets of our Company in the event of default and to recover dues directly from the borrowers of our Company in the event of default.
		Sanction letter dated June 29, 2012; Demand promissory note and letter of continuity for demand promissory note, letter of general lien and set off, letter of hypothecation of book debts, power	500.00	500.00	72	10.45% (linked with the base rate)	22 equal quarterly instalments of ₹ 22.73 million each. Moratorium period of 6 months.	None	Charge on book debts/receivables of our Company and irrevocable power of attorney to create a charge on the

Sr. No.	Name of lender	Loan documents	Amount sanctioned (in ₹ million)	Amount outstanding as of December 31, 2012 (in ₹ million)	Tenure (in months)	Rate of interest (per annum) as on December 31, 2012	Repayment	Prepayment terms (if any)	Security
		of attorney for hypothecated book debts and loan agreement dated July 5, 2012.							assets of our Company in the event of default and to recover the dues directly from the borrowers of our Company in the event of default.
		Sanction letter dated November 7, 2012; loan agreement and letter of hypothecation of stocks and book debts dated December 7, 2012, Letter of general lien and set off dated December 7, 2012, Letter of continuity for demand promissory note dated December 7, 2012, Demand promissory note dated December 7, 2012.	500.00	100.00	90	10.35% (linked with the base rate)	26 equal quarterly instalments ₹ 19.23 million each. Moratorium period of 6 months.	None	Charge on book debts/ receivables of our Company and irrevocable power of attorney to create a charge on the assets of our Company in the event of default and to recover the dues directly from the Borrowers of our Company in the event of default.
4.	IDBI Bank	Sanction letter dated June 18, 2009; letters of modification dated July 18, 2009, September 11, 2009 and December 31, 2009; loan agreement and hypothecation deed dated September 29, 2010	1,000.00	405.00	60	10.75% (Bank's base rate + 0.60% per annum).	20 quarterly instalments of ₹ 50 million each starting from September 30, 2009	Allowed unconditionally on interest reset dates and at other times with prior approval of the bank subject to such conditions as the bank may deem fit, including payment of premia for such prepayment	Exclusive charge by way of hypothecation on our Company's housing loan receivables to the extent of the loan amount
5.	Indian Bank	Sanction letter dated July 26, 2010; letter of modification dated August 20, 2010; medium term loan agreement and hypothecation deed	1,000.00	848.16	126	11.00% (Floating rate of interest at the rate of 1% (spread) per annum below the bank's base	20 half yearly instalments of ₹ 50 million each. Moratorium period of 6 months.	Prepayment penalty of 2% in case of medium term loan. No pre-closure or	Specific charge over book debts created using the funds provided by the bank

Sr. No.	Name of lender	Loan documents	Amount sanctioned (in ₹ million)	Amount outstanding as of December 31, 2012 (in ₹ million)	Tenure (in months)	Rate of interest (per annum) as on December 31, 2012	Repayment	Prepayment terms (if any)	Security
		dated August 28, 2010				rate + tenor premium).		prepayment penalty, if paid from the resources of our Company.	through this facility
6.	Indian Overseas Bank	Sanction letter dated March 9, 2009; hypothecation deed and letter of hypothecation, and power of attorney dated March 26, 2009 and letter dated April 8, 2009;	1,000.00	280.00	66	10.75% (Benchmark prime lending rate minus 4% subject to a minimum of 9.50%).	10 half yearly instalments of ₹ 100 million each. Moratorium period of 6 months.	Waiver of prepayment penalty subject to the loan is not prepaid or closed within six months from the date of avail of loan amount and prepayment is made out of internal accruals and not from borrowing of other bank or financial institution, otherwise applicable prepayment penalty will be levied in case of prepayment of instalments.	Hypothecation of our Company's receivables to the extent of 125% of the sanctioned amount
7.	Karur Vysya Bank	Sanction letter of December 29, 2010; hypothecation deed, letters of undertaking by our Company, demand promissory note, power of attorney, certificate of execution of documents and term loan agreement dated December 31, 2010	500.00	425.00	126	11.00% (banks base rate)	20 half yearly instalments of ₹ 25 million each. Moratorium period is sx months.	In case the revision in interest rate on the re-set date is not acceptable and if our Company wishes to prepay the entire dues and close the loan it	Assignment of specific book debts to the extent of our Company's liability to the bank, hypothecation of book debts and receivables by way of first charge

Sr. No.	Name of lender	Loan documents	Amount sanctioned (in ₹ million)	Amount outstanding as of December 31, 2012 (in ₹ million)	Tenure (in months)	Rate of interest (per annum) as on December 31, 2012	Repayment	Prepayment terms (if any)	Security
		Sanction letter dated December 2, 2009; hypothecation deed, letters of undertaking by our Company, demand promissory note, power of attorney, certificate of execution of documents and term loan agreement dated February 23, 2010	500.00	403.74	126	11.00% (banks base rate)	20 half yearly instalments of ₹ 25 million each. Moratorium period of 6 months.	shall inform intention, to bank within 15 days of the notice of revision in interest rate. No prepayment charges if the loan is repaid from our company's resources within 3 months of the said notice by the bank. If our Company wants to prepay any instalment or close the loan due to any other reason other than increase in the lending rate and if funds remitted for such prepayment /preclosure are not from their own resources charges levied will be nil % on the amount so prepaid.	in favour of the ban
8.	Oriental Bank of Commerce	Sanction letter dated July 15, 2010; common agreement, term loan agreement and hypothecation deed dated July 17, 2010	750 250	641.76 201.17	126	11.15% (Bank's base rate + 0.75% with monthly rests) 10.90% (Bank's base rate + 0.50% with monthly rests)	20 half yearly instalments of ₹ 50 million each. Moratorium period of 6 months.	30 days written notice	Assignment of specific book debts covering equitable mortgage of immovable property of individual borrowers of

Sr. No.	Name of lender	Loan documents	Amount sanctioned (in ₹ million)	Amount outstanding as of December 31, 2012 (in ₹ million)	Tenure (in months)	Rate of interest (per annum) as on December 31, 2012	Repayment	Prepayment terms (if any)	Security
		Sanction letter dated September 26, 2009; common agreement, term loan agreement and hypothecation deed dated September 29, 2010	500.00	375.07	126	10.75% (Prime lending rate minus 4% with monthly rests)	20 half yearly instalments of ₹ 25 million each. Moratorium period of 6 months.	30 days written notice	our Company to the extent of liability to the bank, and hypothecation and charge by way of first charge on the movable property of any kind, whether present or future, and in case of any earlier charge on the existing movable assets a second charge in favour of the bank
		Agreement of Hypothecation of Assets dated June 29, 2012, Term loan agreement dated June 29, 2012, Common agreement dated June 29, 2012.	1,000.00	1,008.45	126	10.90% (0.50% over the base rate with monthly rests, subject to changes in bank rate from time to time. Penal interest @ 2.00% per annum over and above the rate on overdue portion shall be charged.)	20 equal half yearly instalments of ₹ 50 million each. Moratorium period of six months.	None	
		Agreement of Hypothecation of Assets dated September 29, 2011, Agreement of term loan dated September 29, 2011, Common agreement dated September 29, 2011, Sanction letter dated September 19, 2011	1,000.00	861.01	84	10.40% (0.25% over the base rate with monthly rests, subject to changes in bank rate from time to time. Penal interest @ 2.00 % per annum over and above the rate on overdue portion shall be charged.)	14 half yearly instalments of ₹ 71.4 million each.	None	
9.	State Bank of India	Sanction letter dated September 22, 2009; loan agreement, hypothecation deed and agreement of pledge of goods and assets dated September 26, 2009 and supplemental loan agreement and sanction letter dated June 13, 2011 supplemental agreement of hypothecation of goods and assets and agreement for assignment dated July 1, 2011	2,000.00	1,349.04	60	10.75% (1% above base rate)	₹ 200 million to be repaid as first installement for the repayment of term loan commencing from half year ended December 2011 and 8 half yearly instalment of ₹ 225 million each to be repaid subsequently and the last instalment will be repaid	Prepayment penalty as per banks standard rates will be levied	First charge over assets covered under hypothecation, loan or lease agreements and the resultant receivables

Sr. No.	Name of lender	Loan documents	Amount sanctioned (in ₹ million)	Amount outstanding as of December 31, 2012 (in ₹ million)	Tenure (in months)	Rate of interest (per annum) as on December 31, 2012	Repayment	Prepayment terms (if any)	Security
							on December 2015.		
10.	Repco Bank Limited	Sanction letter, articles of agreement, hypothecation deed and promissory note and bond in favour of the lender dated June 30, 2003	50.00	2.44	120	11.00% (variable rate to be advised by the bank from time to time)	120 equal monthly instalments of ₹ 0.64 million each.	Pre-closure charges are 2% or such other rates as stipulated by Bank.	Hypothecation of book debts, outstanding money receivables, claims and bills due and or which become due and owing, and exclusive assignment of mortgaged immovable properties (the value of which as assessed by our Company should be 100% of the cash limit) along with promissory note and bond date June 30, 2003 in favour of the lender
		Articles of agreement and bond in favour of the lender dated April 4, 2001	40.00	10.70	180	11.00% (variable rate as may be charged by the bank)	180 monthly instalments of ₹ 0.22 million each.		
11.	Canara Bank	Hypothecation Agreement dated March 28, 2012; Agreement in reference to advances against book debts as prime security dated March 28, 2012; Sanction letter dated March 14, 2012	1,000	950.00	120	10.75% (Interest rate on term loan at base rate + 0.25% floating payable monthly. Spread to be reset annually.)	20 equal half yearly instalments of ₹ 50 million each.	None	Hypothecation and first charge on all stocks of goods and all other moveable goods and properties of every description of the borrower wherever situated and all the present and

Sr. No.	Name of lender	Loan documents	Amount sanctioned (in ₹ million)	Amount outstanding as of December 31, 2012 (in ₹ million)	Tenure (in months)	Rate of interest (per annum) as on December 31, 2012	Repayment	Prepayment terms (if any)	Security
		Hypothecation Agreement dated September 28, 2012; Agreement in reference to advances against book debts as prime security dated September 28, 2012; Sanction letter dated September 13, 2012	500	500.00	120	11.00% (Base rate + 0.50% floating payable monthly. Spread to be reset annually.)	20 equal half yearly instalments of ₹ 25 million each.	None	futures book debts, outstanding moneys, bills receivable, claims bills, contracts securities, investments, cash, gold, silver, jewellery, rights and assets and rights relating to or in movable properties of whatsoever nature to which the borrower is entitled to during the continuance of bills agreement
12.	Syndicate Bank	Sanction letter dated December 29, 2012, Composite hypothecation agreement dated December 31, 2012, General agreement dated December 31, 2012 and Charge and hypothecation of book debts agreement dated December 31, 2012.	1,000.00	150.04	120	10.50% (Base rate at the time of sanction (fixed) with a condition of reset every year and at any point of time, base rate will not be less than the base rate of the bank.)	20 half yearly instalments of ₹ 50 million each	If the loan is closed without a prior minimum notice of 7 (seven) days, a prepayment of 1% shall be charged on the outstanding balance for the remaining period.	Assignment of book debts to the extent of liability with 5% margin.
Short Term Borrowings									
13.	Repco Bank Limited	Sanction letter, articles of agreement and promissory note and bond in favour of the lender dated December 11, 2010 for cash credit facility.	3,000.00	2,981.41	Not applicable	11.00%	Limit valid for three years	N.A.	Hypothecation of housing loan receivables along with promissory note and bond in favour of the lender dated December 11, 2010
14.	State Bank of India	Sanction letter dated June 13, 2011, October 18, 2012 and November 23, 2012.	1,250.00 of cash credit facility	0.35	-	11.75%	Repayable on demand	No Prepayment is permitted. Prepayment	First charge over assets covered under hypothecatio

Sr. No.	Name of lender	Loan documents	Amount sanctioned (in ₹ million)	Amount outstanding as of December 31, 2012 (in ₹ million)	Tenure (in months)	Rate of interest (per annum) as on December 31, 2012	Repayment	Prepayment terms (if any)	Security
			1,200.00 of working capital demand loans (with in 1,250.00 of cash credit facility as mentioned above)	1,199.99	90 days	9.75% - 11.15%	90 days	penalty as per Banks standard rates will be levied	n, loan or lease agreements and resultant receivables.
Refinance Assistance									
15.	National Housing Bank*	The refinance assistance is under the Refinance Scheme for Housing Finance Companies, 2003 and the loan document for all these loans is a sanction letter. Dated September 9, 2011, August 25, 2011, January 24, 2011, June 09, 2010, July 21, 2009, March 27, 2009, December 23, 2008, October 13, 2008, October 10, 2007, April 19, 2005, August 26, 2004 and October 23, 2003	18,500.00	11,822.84	60-120	6.50%-10.55%	Maximum of 60 quarterly instalments starting with the quarter succeeding the one in which the refinance was drawn or in such other number of instalments as may be determined by the bank	Repayment of whole or part by giving 2 months written notice in advance to NHB and on payment of applicable premium as per the policy of NHB.	First exclusive charge by way of hypothecation on such book debts which are financed or to be financed by our Company and for which refinance is obtained along with a first charge by way of hypothecation of all our Company's movable properties (other than housing loans and investments); a non disposal undertaking from our Promoter and an irrevocable and unconditional corporate guarantee from our Promoter

***** *The rate of interest charged by the NHB for the refinance assistance facility is based on the tenure of the loan and the rate of interest of the NHB prevailing at the time of disbursement of each loan and varies depending upon whether it is a fixed or floating rate of interest.*

For details, please see the section titled "*Financial Statements - Related Party Disclosures*" on page F-35.

During the currency of the credit facilities detailed above, our Company requires the prior written consent of some or all of our lenders for various actions, including but not limited to:

- effect changes in our Company's capital structure;

- undertake or permit any merger, consolidation, re-organization, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction;
- enter into borrowing arrangement either secured or unsecured with any other bank, financial institution, company, firm or persons, or enter into a hire purchase agreement;*
- undertake guarantee obligation on behalf of any other company (including group companies), firm or persons;
- create any further charge, lien or encumbrance over the assets and properties of our Company, which are charged to the lenders;
- vary the shareholding of such shareholders who are Directors, principal shareholders and Promoters;
- implement any scheme of expansion or acquire fixed assets or any new project, diversification, modernization or substantial expansion of its activity of providing financial assistance to individuals, or acquire fixed assets;
- invest by way of share capital in or lend or advance funds to or place deposits with any other concern (including group companies)- normal trade credit or security deposits in the normal course of business or advances to employees can however be extended;
- declare dividends for any year out of the profits relating to that year or of the previous years;
- enter into any contractual obligation of a long-term nature or affecting our Company financially to a significant extent;
- permit any transfer of the controlling interest or make any drastic change in the management set-up;
- repay monies brought in by the Promoter/Directors/principal shareholders and their friends and relatives by way of deposits/loans/advances;
- issue any debentures, raise any loans, accept deposits from public, issue equity or preference capital;
- prepay any loan availed by it from any other party for the same purpose as that of this loan *i.e.* providing financial assistance to individuals;
- create any subsidiary or permit any company to become its subsidiary;
- revalue its assets at any time;
- change its accounting system radically;
- effect or permit withdrawals by Directors; and
- extend finance to associate concerns.

We have obtained the approvals for the Issue from our all our lenders from whom we require approvals under the respective loan documents.

***** This covers a statutory requirement applicable to our Company to obtain a no-objection certificate with respect to borrowing from banks and financial institutions under the Refinance Scheme. The relevant portion states: *"In case the Company borrows funds from banks/financial institutions other than National Housing Bank it shall inform NHB about the same giving particulars about the security offered for such borrowings and obtain 'no objection' from NHB. Block NOC would be issued once in a year based on projections furnished by the HFC stating the projected disbursement and the various avenues of resources from where funds will be raised."*

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below (i) there are no outstanding legal proceedings, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, show cause notices or legal notices pending against our Company, Directors, Promoter and Group Entities or against any other company whose outcome could have a materially adverse effect on the business, operations or financial position of our Company, and (ii) there are no defaults including non-payment or overdue payment of statutory dues, over-dues to banks or financial institutions, defaults against banks or financial institutions or rollover or rescheduling of loans or any other liability, defaults in dues payable to holders of any debenture, bonds and fixed deposits or arrears on cumulative preference shares issued by our Company, Promoter and Group Entities, defaults in creation of full security as per the terms of issue/other liabilities, proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (1) of Part I of Schedule XIII of the Companies Act) other than unclaimed liabilities of our Company except as stated below, and (iii) no disciplinary action has been taken by SEBI or any stock exchange against our Company, Promoter, Group Entities or Directors.

Further, (i) except as disclosed below, neither our Company nor our Promoter, Group Entities, and Directors, have been declared as wilful defaulters by the RBI or any other governmental authority and, (ii) there are no violations of securities laws committed by them or penalties imposed on them thereunder in the past or pending against them, and adverse findings regarding compliance with securities laws.

Unless stated to the contrary, the litigations summarised below are as of January 31, 2013:

I. Contingent liabilities not provided for

The contingent liabilities of our Company not provided for as on September 30, 2012 are as mentioned in the table below:

(in ₹ million)

Particulars	As at September 30, 2012
Claims against the Company not acknowledged as Debts	2.10
Disputed Income tax liability	2.04

II. Legal proceeding involving our Company and Promoter

1. Adverse findings against our Company as regards compliance with the securities laws.

There are no adverse findings against our Company as regards compliance with the securities laws.

2. Outstanding litigation against other companies whose outcome could have an adverse effect on our Company

There are no outstanding legal proceedings, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, show cause notices or legal notices pending against any company whose outcome could have a material adverse effect on the position of our Company.

3. Outstanding dues to small scale undertakings or any other creditors

As on December 31, 2012, our Company did not owe dues above ₹ 0.10 million for more than 30 days to any small scale undertakings.

4. Proceedings initiated against our Company for economic offences

There are no proceedings initiated against our Company for any economic offences.

5. **Potential legal proceedings against our Company**

There are no potential legal proceedings against our Company that we are presently aware of or in connection with which we have received any notice.

6. **Details of past penalties imposed on our Company**

No penalties have been imposed on our Company by any regulatory or statutory authority.

7. **Proceedings initiated by SEBI or the stock exchanges**

No proceedings have been initiated against our Company by SEBI or the stock exchanges.

8. **Legal proceedings against our Company**

Civil proceedings

i. J Maheshwaran and J Jayakumar ("**Plaintiffs**") have filed a plaint bearing C.S. No. 111 of 2009 against P. Jayamani, M. Venkatesan, our Company and others before the High Court of Madras seeking partition of the suit property and alleging that P. Jayamani and M. Venkateasan have fraudulently transferred the property in the name of M. Venkatesan. P. Jayamani is the father of the Plaintiffs. Further, Plaintiffs allege that M. Venkatesan based on fraudulent documents in relation to the suit property has obtained a home loan of ₹ 3 million from our Company by mortgaging the suit property. The Plaintiffs seek to declare the mortgage over the suit property in favour of our Company as invalidated as the same is allegedly based on the fraudulently obtained title deeds of the suit property. Our Company has filed its written statement. The matter is pending hearing and final disposal.

ii. An appeal has been preferred by Mrs. N.Devi, Mr. P.M.Neelamegam and Mr. Nareshkumar ("**Applicants**") bearing Appeal no. S.A. No. 94/12 of 2012 dated March 5 , 2012, before the Debts Recovery Tribunal, Madurai, for setting aside the order of the Chief Judicial Magistrate, Trichy, in Criminal Application no. 485 of 2012 ("**Impugned Order**") against our Company in relation to the default in payment of ` 4.99 million owed by the Applicants to the Company. The Applicants have alleged that our Company has not followed the requirements of issuance of possession notice and failed to consider the Applicants' reply to the demand notice under the SARFAESI Act. Additionally, the Applicants have alleged that our Company had imposed high rate of interest with respect to the Applicants' loan which is in contravention to the guidelines issued by Reserve Bank of India and that the Chief Judicial Magistrate, Trichy has wrongly passed an order stating that that the Applicants did not reply to the demand notice issued by the Company. The Applicants have sought to call for the record relating to proceedings initiated by our Company against the schedule property under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, set aside the Impugned Order and hand over the encumbrance free possession of the abovementioned property to the Applicants. Further the Applicants have sought an interim stay on any further proceedings under the SARFAESI Act that may be initiated by our Company in relation to the abovementioned. This matter is pending hearing and final disposal.

iii. An appeal has been preferred by Mr. R. Mohana and Mr. K. Rajaram ("**Appellants**") bearing no. 663 of 2010 dated December 06, 2010, before the Debts Recovery Appellate Tribunal, Chennai, under Section 18 of the SARFAESI Act, for setting aside the order of the Debt Recovery Tribunal, Madurai, in S.A. no. 926 of 2008 ("**Impugned Order**") against our Company in relation to the default in payment of ₹ 1.4 million by the Appellants. The Appellants have sought to set aside the Impugned Order *inter-alia* on the grounds that the Impugned Order was passed without taking into account that our Company had failed to produce any material to justify the initiation of the proceedings under the SARFAESI Act against the Appellants. Further the Appellants have sought an interim stay on any further proceedings under the SARFAESI Act that may be initiated by our Company in relation to the abovementioned. The Debt Recovery Appellate Tribunal, Chennai has vide its order dated May 11, 2012 set aside the Impugned

Order and directed the Presiding Officer to allow an opportunity to the Appellants to put forth their case and dispose of the same expeditiously in accordance with law. This matter is pending hearing and final approval.

iv. Mr. Ghanta Sathya Sai ("**Petitioner**") has initiated proceedings bearing O.S. no. 497 of 2011, dated April 24, 2011, against Ms. Kandukuri Gayathri and our Company before the Court of the Senior Civil Judge, Vijayawada. The Petitioner has alleged that he has first charge over the property of Ms. Kandukuri Gayathri and that our Company cannot dispose off the same to realise the dues amounting to ₹ 0.09 million payable to our Company by Ms. Kandukuri Gayathri and the same would frustrate his ability to realise the dues payable to him by Ms. Kandukuri Gayathri. In the counter statement filed by our Company, our Company has contended that it has followed the due process of law and has already initiated recovery proceeding under the SARFAESI Act. Further, our Company has contended that the present petition is not maintainable due to lack of jurisdiction and thereby has sought dismissal of the petition. The matter is pending final disposal.

v. Mr. Chiluko Theophilus ("**Petitioner**") has filed a suit bearing C.S. No. 33/2009 against our Company and Kumpati Prasada Rao before the Court of the Principal Senior Civil Judge at Aurangabad, in relation to alleged forceful eviction from the property which had been provided as a security by Kumpati Prasada Rao. The Petitioner has sought permanent injunction restraining the Defendants from causing any intereference to the enjoyment of the property by the Petitioner and also monetary relief to the value of ₹ 0.11 million. Our Company in our written statement has contended that the Petitioner has filed the petition to cause inconvenience to our Company. The matter is pending final disposal.

vi. Mr. Srinivas M. Naidu and Ms. Saraswathi S. ("**Plaintiffs**") have filed a suit bearing no. OS no. 4045/2004 before the City Civil Judge at Bangalore *inter-alia* seeking permanent injunction against our Company, Karnataka State Financial Corporation Limited and the Indian Bank from taking forceful possession of the suit premises. The Plaintiffs have *inter-alia* alleged that our Company along with other defendants are seeking to take unlawful possession of the premises. Our Company in their written statement has sought to set aside the abovementioned petition. The matter is pending hearing and final disposal.

vii. Mr. K. Balasubramanian, and Mr. B. Kalyani ("**Petitioner**"), has filed a suit bearing OS no. 28/2011 against our Company and others before the Court of District Judge at Chengalpet, alleging wrongful collection and recovery of post dated cheques by our Company in relation to the loan amount of ₹ 2.13 million availed by the Petitioner from our Company. The Petitioners have sought an interim injunction restraining our Company from making any further collection of post dated cheques deposited to our Company since the property that was mortgaged to the Company is allegedly encroached by the Southern Railways. The matter is pending hearing and final disposal.

viii. Mr. C. Shanmugavadiu ("**Petitioner**") had filed insolvency proceedings bearing IP no. 2 of 2010 before the Additional Sub-ordinate Judge of Erode against Mr. K. Subramani to declare him insolvent and for the sale of the property belonging to him. The Petitioner is a third-party purchaser of the property belonging to Mr. K. Subramani. The Petitioner has mortgaged the property in favour of our Company for availing a loan to the value of ₹ 1.2 million. Our Company is therefore proposed to be added as a party to the present proceedings. The matter is pending final disposal.

ix. Mr. K. S. Durai, ("**Petitioner**"), has filed a suit bearing OS no. 29/2011 against our Company and others before the Court of District Judge at Chengalpet, alleging wrongful collection and recovery of post dated cheques by our Company in relation to the loan amount of ₹ 2.2 million availed by the Petitioner from our Company. The Petitioner have sought an interim injunction restraining our Company from making any further collection of post dated cheques deposited to our Company since the property that was mortgaged to the Company is allegedly encroached by the Southern Railways. The matter is pending hearing and final disposal.

x. Mr. D. Hariharan ("**Petitioner**"), has filed a suit bearing OS no. 27/2011 against our Company and others before the Court of District Judge at Chengalpet, alleging wrongful collection and recovery of post dated cheques by our Company in relation to the loan amount of ₹ 2.06 million availed by the Petitioner from our Company. The Petitioners have sought interim injunction restraining our Company from making any further collection of post dated cheques deposited to our Company since the property that was mortgaged to the Company is allegedly encroached by the Southern Railways. The matter is pending hearing and final disposal.

xi. Mr. Manikandamurthy and Ms. M. Latha, ("**Appellants**") have preferred an appeal against our Company before the Debts Recovery Appellate Tribunal, Chennai, under Section 17 of the SARFAESI Act, alleging that The Appellant has alleged that our Company has not followed the requirements of issuance of possession notice and demand notice under the SARFAESI Act. The Appellants had contended that the property provided as security against the loan of ₹ 5.03 million was not secured through an equitable mortgage and thus cannot the same property cannot be subject to any recovery proceedings. The Appellants have sought for interim stay on the existing proceedings initiated by our Company and any other proceedings in relation to the abovementioned that may be initiated by our Company.

xii. Ms. M.Keerthika, ("**Plaintiff**") has filed a plaint bearing O.S. no. 136/2011 dated August 30, 2011 against A. Madeswaran and S.R. Srinivasan ("**Defendants**") and our Company before the Court of the FTCI of Salem, under Order VII, Rule 1 to Rule 6 of the Code of Civil Procedure. The Plaintiff has prayed for partition and separate possession of her property from the suit property mortgaged to our Company by the Defendants and restraining our Company from selling the share of Plaintiff's property by granting permanent injunction on the ground that the failure of repayment of housing loans amounting to ₹ 1.30 million availed by the Defendants will not bind the Plaintiff share in the suit property. Our Company has filed a written statement dated July 11, 2012 contending that the Plaintiff does not have any separate legal claim to the property. The matter is pending hearing and final disposal.

xiii. Ch. Sudheshna, M. Bala Nagavani and B Sunil Kumar, ("**Petitioners**") have filed a suit bearing O.S. no. 245/2011 dated August 25, 2011 against Mr. Pullakura Ramesh and Pullakura Lakshmi and Dr. Sangam Mallikarjuna Rao ("**Defendants**") before the Court of the District Judge of Nellore under section 26 and Order VII, Rule 1 and 2 of the Code of Civil Procedure seeking declaration of right and title over the suit property and perpetual injunction against the Defendants on the ground that the defendants do not possess good title over the property. Our Company has filed petition bearing IA no. 911/2012 in the court of the VI Additional District Judge, Nellore under section 151 order I, rule 10 of the Code of Civil Procedure praying to implead themselves as one of the defendants in the abovementioned suit bearing O.S. no. 245/2011 on the ground that the disputed property in contention was mortgaged in favour of the Company by the Defendants against the loan of ₹ 55,00,000. The matter is pending hearing and final disposal.

xiv. Sidha Subbama, Sidha Amurtha Sri lakshmi and Sidha Bindu Sri Valli ("**Plaintiffs**") have filed a plaint bearing OS no. 10/2012 against Tigirpalli Venkateswara Rao, our Company and others before the Court of Senior Civil Judge, Kovvur alleging fraudulently possession of the Plaintiffs property by executing the sale deed dated April 19, 2010 by Tigirpalli Venkateswara Rao. The plaintiffs have sought for cancellation of the aforesaid sale deed and consequently to held that the same is not valid under the law and binding on the Plaintiffs, seeking permanent injunction from restraining the defendants to interfere with the Plaintiffs property and mandatory injunction directing Tigirpalli Venkateswara Rao and our Company to return the original document of the Plaintiffs property to the Plaintiff which is in custody of our Company. The matter is pending hearing and final disposal.

Consumer complaints

i. A consumer complaint bearing no. CC. No. 33/2011, has been filed by Ms. M Premadarshini ("**Complainant**") against our Company before the District Consumer Disputes Redressal Forum, Madurai under Sections 2 and 12 of the Consumer Protection Act, 1986 ("**Consumer Protection Act**"). The Complainant has *inter-alia* alleged our Company has provided deficient services resulting in mental agony and loss of interest. Hence the Complainant has sought to recover from our Company a compensation to the value of ₹ 0.61 million The matter is pending hearing.

ii. A consumer complaint bearing CC. No. 75/12, has been filed by Mr. V. Anbu Kumar ("**Complainant**") against our Company and M/s Maruthamnalai Construction and Co. ("**Maruthamnalai**") before the District Consumer Disputes Redressal Forum, Chennai (North) under Section 12 of the Consumer Protection Act. The Complainant has *inter-alia* alleged our Company has provided deficient services and has been engaging in unfair trade practices. Hence the Complainant has sought to recover from our Company a compensation to the value of ` 0.30 million along with interest. Our Company and Maruthamnalai has filed a written statement stating that there has been no deficiency of service and the complaint was filed with a criminal intent on the part of the Complainant.The matter is pending hearing and final disposal.

iii. A consumer complaint bearing no. CC. No. 89/12, has been filed by Mr. Sakhtivel ("**Complainant**") against our Company before the District Consumer Disputes Redressal Forum, Tiruchirappali under Section 12 of the Consumer Protection Act, 1986 ("**Consumer Protection Act**"). The Complainant has *inter-alia* alleged our Company has provided deficient services and has been engaging in unfair trade practices. Hence the Complainant has sought to recover from our Company a compensation to the value of the sale consideration of Rs. 9,46,400 pertaining to sale certificates together with interest at 18% p.a. from the date of payment dated May 15, 2008; reimburse the amount of incurred towards registration and incidental charges to the tune of Rs.88,137 with interest at 18% p.a. from the date of execution of the sale certificates on May 15, 2008; award compensation of Rs. 1,00,000 towards mental agony; award costs of advocate notice to the tune of Rs. 1,000; award litigation expenses of Rs. 5,000 and any other further relief. The matter is pending hearing.

iv. A consumer complaint bearing no. CC. No. 67/12, has been filed by Mr. N.Muthaiah ("**Complainant**") against our Company before the District Consumer Disputes Redressal Forum, Madurai under Section 12 of the Consumer Protection Act, 1986 ("**Consumer Protection Act**"). The Complainant has *inter-alia* alleged our Company has provided deficient services and engaged in unfair trade practices. Hence the Complainant has sought to recover from our Company compensation to the value of ₹ 0.10 million towards the monetary loss caused to the Complainant and ₹ 0.05 million for the mental agony and harassment caused to the Complainant. The matter is pending hearing.

v. An appeal has been preferred by our Company ("**Appellant**") bearing F.A. no. 98 of 2011 dated July 30, 2012 for setting aside the order passed by the District Consumer Disputes Redressal Forum, Tiruchirappalli dated April 14, 2012 in CC. No. 127/11, ("**Impugned Order**") against Mr. Mallika ("**Respondent**") before the State Consumer Disputes Redressal Commission, Chennai under Section 15 of the Consumer Protection Act, in relation to payment of compensation to the value of the sale price amount of Rs. 3,74,400 with interest at the rate of 8.5% per annum from the date of filing of the complaint till realization; reimburse amount of Rs. 34,943 incurred towards registration and incidental charges with interest at the rate of 8.5% per annum from the date of filing of the complaint till realization and a sum of Rs. 5000 towards compensation for mental agony and deficiency of service. The Appellant has sought to set aside the Impugned Order *inter-alia* on the grounds that the lower court had failed to appreciate the documentary evidence submitted by the appellant, that the Respondent's claim is barred by limitation under section 24-A (1) of the Act and the Respondent is not entitled to relief under the Act as he does not fall under the definition of 'consumer'. The matter is pending hearing and final disposal.

9. Legal proceedings against our Promoter

Civil Proceedings

i. Wescare India Limited ("**Plaintiff**") has filed a suit bearing no. CS No. 541 of 2007 before the High Court of Madras along with two applications bearing O.A. No. 4354 of 2007 and 754 of 2007 against our Promoter in connection with the eviction notice/s sent by our Promoter to the Plaintiff to vacate the property situated at Chennai. The property was purchased by our Promoter for approximately ₹ 66 million in a public auction sale and the sale certificate in connection with the same was registered in the office of the Sub Registrar, Madras Central in the name of our Promoter. Our Promoter has filed an application before the High Court of Madras *inter alia* for impleading certain tenants on the disputed property as defendants in the said suit and to direct them to pay monthly rentals with effect from October 1, 2007 to our Promoter and not to the Plaintiff, and to restrain the Plaintiff from extending the lease period or lease out the disputed property to third parties. The matter is currently pending hearing and final disposal.

ii. TVS Finance & Services Limited ("**Petitioner**") has filed a writ petition bearing no. 6414 of 2009 before the High Court of Madras *inter-alia* praying to stay the public auction sale of land, which was allegedly owned by TVS Finance & Services Limited and was mortgaged to our Promoter by M/s. Maxworth Country India Limited on behalf of Maxworth Home Limited, which had availed loans from our Promoter in relation to dues to the value of ₹ 14.39 million. The said land was brought for public auction sale pursuant to the execution proceedings initiated by our Promoter pursuant to an award granted under the Maharashtra State Cooperative Societies Act, 1984 in favour of our Promoter due to non payment of loans availed by Maxworth Home Limited from our Promoter. An interim stay was granted by the High Court of Madras on July 17, 2009, which was subsequently extended and is still in force. Our Promoter has filed a counter affidavit praying for vacation of the interim stay and dismissal of the writ petition on the grounds that the Petitioner ought to seek remedy from M/s. Maxworth Country India Limited who allegedely have sold the disputed land to the Petitioner and on account of non-joinder of necessary parties being M/s. Maxworth Country India Limited. The matter is currently pending.

iii. M/s. NEPC Tea Garden ("**Plaintiff**") has filed a suit bearing O.S. No. 135 of 2010 before the court of Subordinate Judge of Pollachi *inter-alia* praying for the grant of interim injunction on the sale of properties through public auction by our Promoter in relation to dues to the value of ₹ 44.26 million. Our Promoter had filed a claim petition under the provisions of Multi-State Cooperative Societies Act, 1984 and an award was issued in favour of our Promoter directing the Plaintiff to pay ₹ 54.64 million to our Promoter along with interest at the rate of 23% per annum with effect from May 18, 2000. Our Promoter initiated execution proceedings against the Plaintiff and purchased the property belonging to the Plaintiff in the public auction sale which was duly registered. In response to the advertisement issued by our Promoter inviting bids for the sale of the tea estate, the Plaintiff sought a stay on the sale and obtained a temporary injunction against our Promoter. Our Promoter has filed a counter statement seeking payment of ₹ 136.50 million along with the interest or in the alternative allow sale of the disputed property and other shareholdings pledged in favour of our Promoter for realisation of the due amount. The matter is currently pending hearing and final disposal.

iv. Ms. A. Sasikala ("**Plaintiff**") has filed a writ petition bearing W.P. no. 56 45/2006 before the High Court of Madras against our Promoter and has sought a stay on initiation of securitization proceedings by our Promoter in relation to the dues to the value of ₹ 0.2 million. The matter is currently pending hearing and final disposal.

v. Mr. A. Ganesan ("**Appellant I**") has filed an appeal bearing no. 179 of 2009 before the Debt Recovery Tribunal, Chennai against the securitization proceedings initiated by our Promoter. A. Ganeshan had availed of the loan aggregating to ₹ 5.2 million from our Promoter which was secured against the property admeasuring approximately 2,520 sq.ft. in Plot No.7 in Vadakailasam village along with the building thereon. G. Anandaraj ("**Appellant II**"), son of Appellant I has also filed a similar appeal bearing S.A. no. 274 of 2009 before the Debt Recovery Tribunal, Chennai against the recovery proceedings initiated by our Promoter, pursuant to which a stay was granted on January 13, 2010. Our Promoter has filed a reply statement seeking dismissal of both the aforesaid appeals on the ground that that there are no merits in the aforesaid appeals and the same have been filed with intention to malign the name of our Promoter. The matter is pending final disposal.

vi. Ms. C. Manuel Dass ("**Applicant**") has filed an application bearing S.A. no. 46/2011 before the Debt Recovery Tribunal, Coimbatore against our Promoter for initiating proceedings under the SARFAESI Act in relation to non payment of dues of ₹ 0.55 million by the Applicant. Our Promoter has filed a counter statement seeking dismissal of the application filed by the Applicant on the ground that that there are no merits in the aforesaid application and all notices in connection with possession of the mortgaged property were issued in compliance with the SARFAESI Act and that the said application was filed in order to delay the payment of the disputed loan amount to our Promoter. The matter is currently pending hearing and final disposal.

vii. Mr. J.M.B. Krishnan and Mrs. Hallamma Krishnan (the "**Appellants**") have filed an appeal bearing O.A.S. no. 109/2007 before the Debt Recovery Tribunal, Coimbatore against our Promoter in relation to non payment of dues of ₹ 0.32 million and has also sought stay on the recovery proceedings initiated by our Promoter under the SARFAESI Act. Our Promoter has filed a counter statement claiming that irreparable loss and hardship would be caused to our Promoter unless an order is passed by the Hon'ble Court either directing payment of the amounts due from the Appellants or permitting the public auction of the secured asset of the Appellants. In accordance with the docket order dated November 2, 2012, our Promoter was directed to apply for certified copy of the order, accept ₹ 0.05 million from the Appellant as full and final payment and release the mortgaged property. The matter is currently pending final disposal.

viii. Mr. R. Sanakarappan ("**Petitioner**") has impleaded our Promoter in a suit bearing C.S. No.1011/2008, in relation to the partition suit O.S. No.4904/1998 for the property mortgaged to our Promoter by R. Jayachandran ("**Borrower**"). Our Promoter had initiated proceedings against the Borrower under the provisions of the SARFAESI Act for the default in repayment of the loan amounting to ₹ 2.5 million availed by the Borrower from our Promoter. As there was no stay against our Promoters by any court, our Promoters have initiated proceedings under the provisions of the SARFAESI Act since the loan account was classified as non-performing asset. Our Promoter has filed written statement seeking dismissal of the aforesaid suit and claim of ₹ 1.51 million from the Borrower. The matter is pending final disposal.

ix. Mr. G.N. Manikandan ("**Petitioner**") has filed a civil suit bearing no. 3963 of 2006before the City Civil Court, Chennai ("**Court**") against our Promoter seeking an order of injunction restraining our Promoter from getting the mortgaged property auctioned in public in relation to non payment of dues of ₹ 0.8 million. On account of non repayment of dues, our Promoter filed an arbitration claim under Multi State Cooperative Societies Act, 1984 against the Petitioner directing the Petitioner to pay our Promoter an amount of ₹ 1.31 million. On account of non payment of the amount by the Petitioner as directed by the Cooperative Sub-Registrar pursuant to the award dated April 10, 2003, our Promoter initiated execution proceedings for the public auction of the property. The Petitioner had sought to stay the public auction of the property before the Court. The Court has passed an interim injunction against our Promoter. Also, Mr. Ravindran and Mr. Illaraman filed an application bearing C.A. no. 9/2006 before the Chief Judge of Small Causes Court, Chennai against the execution proceedings initiated by the Promoter seeking grant of interim injunction restraining our Promoter from auctioning the mortgaged property. The matter is currently pending final disposal.

x. Ms. Indira Raveendran ("**Appellant 1**") Mr. P. Raveendran Pillai ("**Appellant 2**" together with the Appellant 1 the "**Appellants**") filed an arbitration appeal bearing no. 23/2010 before the Kerala High Court against our Promoter seeking to set aside the award passed by the arbitrator and the order passed by the District Court, Trivandrum in favour of our Promoter upholding the arbitration award. The arbitration award was passed against Appellants permitting our Promoter to recover amount aggregating to ₹ 1.94 million along with interest at 21% with effect from March 31, 2005. The matter pertains to two loans amounting to ₹ 0.70 million and ₹ 0.50 million availed by the Appellants from our Promoter which were secured by the mortgage of property of the Appellants. On account of the said loan becoming a non performing asset, our Promoter filed an arbitration claim and an award was passed by the arbitrator. During the period when the appeal against the arbitration award was pending before the District Court, Trivandrum the Appellant 2 filed a writ petition bearing W.P. (C) No. 35391/2007 before the High Court of Judicature of Trivandrum *inter-alia* seeking a stay on the auction sale of the mortgaged property as per the award. Both the arbitration appeal and the writ petition are pending before the Kerala High Court.

xi. Mr. K. Aranganayahi ("**Plaintiff**") has filed a partition suit bearing no. CC no. 256/2010 before the Court of PCR Thanjavur against our Promoter seeking distribution of family properties. The Plaintiff has filed an application for amendment of the plaint to add various parties (including our Promoter) to be added as parties to the suit. The Plaintiff has alleged that the said parties are necessary parties in order for the court to effectively and completely adjudicate on the issues involved in the suit. No reasoning or particulars have been given in support of such contention. The matter is pending final disposal.

xii. Mr. C. Venkataraju, Mr. A. Senthamarai Kanna and Mr. G. Senthilnathan ("**Applicants**") have filed a suit bearing S.A. No. 94 of 2012 before the Debt Recovery Tribunal-I, Chennai against our Promoter praying for declaration of the sale of properties by our Promoter through public auction by sale notice dated June 4, 2012 at the value of ₹ 48.78 million as null and void, to direct our Promoter to pay compensation to the Applicants under section 19 of the SARFAESI Act and as an interim relief grant stay on the aforesaid sale of properties by our Promoter. Our Promoter has filed counter affidavit seeking dismissal of the application filed by the Applicants on the ground that the application filed before the Debt Recovery Tribunal-I, Chennai is not maintainable either in law or on facts and is barred by limitation and there is no cause of action for the relief claimed by the Applicants. The matter is currently pending final disposal.

xiii. Mr. S. Dawood and Ms. S. Fatima Dawood ("**Applicants**") have filed an application bearing S.A.No. 146 of 2011 before the Debt Recovery Tribunal, Coimbatore against our Promoter praying to held the possession of the Applicants property and all other actions taken by our Promoter under the SARFAESI Act on account of non-payment of alleged dues ₹ 4.80 million as wrongful, illegal and invalid, to direct our Promoter to restore the possession of the secured assets to the Applicants and to award compensation to the tune of ₹ one million to the Applicants. Our Promoter has filed counter statement seeking dismissal of the application filed by the Applicants on the ground that the application filed before the Debt Recovery Tribunal, Coimbatore is not maintainable either in law or on facts. The matter is currently pending final disposal.

xiv. Sri. Venglamani Amman Educational Charitable trust ("**Petitioner**") has filed a writ petition bearing W.P. (MD). No. 15416 of 2012 before the Madras High Court, Madurai against our Promoter praying for issuance of writ of certiorari or any other writ, direction, or order of like nature calling for the records of our Promoter pertaining to possession notice dated November 26, 2012 issued by our Promoter under section 13(4) of the SARFAESI Act for possession of the property of the Appellant on account of non-payment of alleged dues of ₹ 32.60 million and quash the same and pass such orders as the court may deem fit. The matter is currently pending final disposal.

xv. S Rajasekaran ("**Appellant**") has filed appeal bearing no. 31 of 2011 before the Debts Recovery Appellate Tribunal -I, Chennai against our Promoter seeking to set aside the possession notice dated January 7, 2011 issued by our Promoter for sale of property mortgaged by the Appellant on account of non-payment of alleged dues of ₹ 0.24 million and stay on all further proceedings that may be initiated pursuant to aforesaid possession notice issued by our Promoter. Our Promoter has filed a counter affidavit seeking dismissal of the petition. The matter is currently pending final disposal.

10. Legal proceedings by our Company

Civil proceedings

i. Our Company has preferred an appeal bearing I.A. no. 563 of 2009 in January 2009, seeking to set aside the order passed by the Debt Recovery Tribunal, Vishakhapatnam in the petition bearing S.A. 28 of 2006, ("**Impugned Order**") under Section 18(1) of the SARFAESI Act before the Debt Recovery Appellate Tribunal, Chennai, against Mr. Merugu Devaraju, ("**Respondent**"), in relation to default in payment of ₹ 0.49 million with interest thereon by the Respondent. Our Company has sought to set aside the Impugned Order *inter-alia* on the ground that the Impugned Order has failed to take into account that the Respondent had failed to comply to regularise the loan and thus subsequently loses the concession that was offered by our Company to regularise his loan account. Further, our Company has sought an interim stay on the Impugned Order. The appeal is pending hearing and final disposal.

ii. Our Company has filed an appeal bearing E.A. no. 55/2007 against Mr. Satyala Mr. Pandu Ranga Rao, Ms. Pakalapati Ratna Raju and others, ("**Respondents**") before the Court of the Principal Junior Civil Judge at Vijayawada a loan amount of ₹ 0.70 million availed by the Respondents from our Company.

Our Company has alleged that the Respondents have colluded to attach the property provided for security by Ms. Pakalpati Ratna Rao towards the loan availed by the Ms. Pakalpati Ratna Rao. Our Company has sought to release the property from the attachment and grant stay of sale of the attached property pending disposal of this petition. The Respondents have contended in their counter statement that the abovementioned petition is time barred and should be dismissed *in-limine* due to non-joinder of parties. The Respondents have sought to dismiss the abovementioned petition, on the ground that the said property has already been attached thus our Company would not have any rights or claims over the said property. The matter is pending hearing and final disposal.

iii. Our Company has filed a plaint bearing O.S. no. 464/2008 in January 2008 against Mr. A. Raja Gopala Rao, Ms. A. Lakshmi, Mr. N. Bhaskara Rao and Mr. Shaik Mahzboob Subzni, ("**Defendants**"), before the Court of Senior Civil Judge at Guntur, under Section 26, order VII, rule 1 and order 34 of the Civil Procedure Code, in relation to non-payment of dues to the value of ₹ 0.34 million. Our Company has sought for payment of ₹ 0.34 million along-with subsequent interest at 10.25% per annum with monthly rests from the date of suit till the date of realization from the Defendants. The matter is pending hearing and final disposal.

iv. Our Company has filed a plaint bearing O.S. no. 106/2008 in January 2008 against Ms. Dona Terejamma, Ms. Doni Krishna Murthy, Mr. T. Ananthaiah and Mr. Tummala Balasouri, ("**Defendants**"), before the Court of Senior Civil Judge at Machilipatnam, under Section 26, order VII, rule 1 and order 34 of the Civil Procedure Code, in relation to non-payment of dues to the value of ₹ 0.64 million. Our Company has sought for payment from the Defendants of ₹ 0.64 million along-with subsequent interest at 10.25% per annum with monthly rests from the date of suit till the date of realization. Our Company has also sought for attachment of the salary of the Defendants. The matter is pending hearing.

v. Our Company has filed a plaint bearing O.S. no. 445/2008 on June 30, 2011 against Orusu Nagamma ("**Defendant 1**"), Orusu Srinivasa Rao ("**Defendant 2**"), Tadisetti Nageswaramma ("**Defendant 3**"), Tadisetti Nageswara Rao ("**Defendant 4**"), Durga Malleswara Swany Devastanam ("**Defendant 5**"), District Collector ("**Defendant 6**") and the Thasildar, ("**Defendants 7**"), before the Court of Senior Civil Judge at Vijayawada, under Section 151, order VII, rule 1 and order 34 of the Civil Procedure Code, in relation tso non-payment of dues to the value of ₹ 0.34 million and alleged wrongful disposal of the mortgaged property. Our Company has alleged that the Defendant 1 and Defendant 2 had wrongfully disposed off the mortgaged property without discharging the charge on the mortgaged property to Defendants 5, Defendant 6 and Defendant 7. Our Company has sought for payment of compensation from the Defendant 5, Defendant 6 and Defendant 7 since under Section 73 (2) of the Transfer of Property Act, 1882, on acquisition of the mortgaged property by Defendant 5, Defendant 6 and Defendant 7, would be liable to pay the mortgagee. The matter is pending hearing and final approval.

vi. Our Company has initiated a suit bearing OS no. 42/2008 dated June 2, 2008 against Mr. L. Arokinathan and others, ("**Defendants**"), before the District Munsif of the Nilgiris, Coonoor, in relation to non-payment of dues to the value of ₹ 69,638 together with interest payable thereon at 11% per annum from the date of the suit till realization of the entire amount, ("**Amount**"). Our Company has alleged that the Defendants has failed to repay the Amount even after receiving notice for recovery under the SARFAESI Act. Our Company has sought a decree against the Defendants directing the Defendants to pay the Amount. The matter is pending hearing and final approval.

vii. Our Company has initiated a suit bearing OS no. 63/2008 dated June 2, 2008 against Mr. J. Ari and others, ("**Defendants**"), before the Court of the Sub Judge of the Nilgiris at Ootacamund, in relation to non- payment of dues to the value of ₹ 0.10 million together with interest payable thereon at the rate of 10.75% per annum from the date of the suit till the date of full realization ("**Amount**"). Our Company has alleged that the Defendants even after receiving notice for recovery under the SARFAESI Act, has failed to repay the Amount and thus sought a decree against the Defendants directing the Defendants to pay the Amount. The Defendants in their written statement have contended that this suit is not maintainable since our Company has already initiated proceedings under the SARFAESI Act, thereby barring the jurisdiction of the civil court. The matter is pending hearing and final disposal.

Other proceedings

In Fiscal 2012, we experienced seven cases of fraud amounting to ₹ 24.22 million in aggregate and between the period April 1, 2012 to December 31, 2012, we experienced three case of fraud amounting to ₹ 8.2 million. Our Company is currently examining the facts of the case and loan documentation.

11. Legal proceedings by our Promoter

(i) Our Promoter has initiated an arbitration claim bearing ARC no.245/2000-01 dated June 30, 2000, in relation to non payment of dues of ₹ 4.25 million together with interest from July 01, 2000, before the Cooperative Sub Registrar (Arbitration & Execution) against Pandian Graphites ("**Defendant**"). The Defendant has initiated revision proceedings bearing Civil Revision Petition No.722/01 against our Promoter at the High Court of Madras and has also sought for setting aside of the abovementioned arbitration award passed. Our Promoter has filed submission seeking to protract the proceedings filed by the Petitioner. The matter is currently pending disposal.

(ii) Our Promoter has filed petition for impleading itself before the High Court of Bombay in the proceedings initiated against Lloyds Finance Limited by ICICI Bank bearing no. 2209/2007. The High Court by its order dated February 03, 2005 approved the scheme of settlement as framed by the special committee for settlement of the dues to the value of ₹ 160.00 million of the debenture holders which *inter-alia* allowed M/s. Lloyds Finance Limited to pay 10% of the principle outstanding as full and final settlement for the debenture holders. Being aggrieved by the said scheme, our Promoter has filed its objections to the scheme and thus prayed for impleading itself before the High Court to contest the matter further. The matter is currently pending.

(iii) Our Promoter has filed a complaint dated April 27, 2009, against ICICI Bank Limited and Lloyds Finance Limited ("**Respondents**") before the National Consumer Disputes Redressal Commission, New Delhi, bearing CC no. 39/2009 *inter-alia* seeking for a direction issued to ICICI Bank Limited and Lloyds Finance Limited to pay the redemption amount of ₹ 117.5 million along with accrued interest at 18% with effect from April 1, 1999 till the date of payment. The said complaint was filed by our Promoter on the ground of deficiency of services provided by ICICI Bank Limited which was acting in their capacity as a debenture trustee to our Promoter including failure to safeguard and protect the interest of the debenture holders and non recovery of the redemption amounts due and liable to be paid by Lloyds Finance Limited. The Respondents have made their submissions seeking dismissal of the complaint on the ground that complaint is not valid in court of law as our Promoter is not a consumer under the Consumer Protection Act, 1986. The matter is pending disposal.

(iv) The High Court of Delhi by its order dated October 22, 2010 in the proceeding bearing no. 379/2002 had ordered for winding up of Hindustan Financial Management Limited and appointed an official liquidator in connection with the winding up. Our Promoter, whose interest was being affected due to the winding up order, filed a petition bearing no. 379/2002 before the High Court of Delhi with a view to safeguard and protect its interest in relation to non payment of dues to the value of ₹ 5 million. Our Promoter has already filed its claims before the Official Liquidator and the order in this regard is awaited. The matter is currently pending.

(v) Our Promoter has filed a claim petition no. 514/2000 before the High Court of Madras against M/s. Elnet Limited ("**Elnet**") on account of the alleged dues ₹ 11.04 million owed by Elnet to our Promoter. Elnet was declared as a sick industry under the provisions of SICA, 1985 by the order of the Board for Industrial and Financial Reconstruction. The matter is currently pending before the Official Liquidator.

(vi) Our Promoter has filed a claim petition bearing no. 191/1997 before the High Court of Madras against M/s. C.R.B. Capital Market on account of the alleged dues of ₹ 9.52 million owed to our Promoter. Claim petition before the Official Liquidator has been filed by our Promoter. The matter is currently pending hearing and final disposal.

(vii) Our Promoter has preferred an appeal bearing DRT A.S.A no. 210/2006 before the Debt Recovery Appellate Tribunal, Chennai against Prabhakara Mayya ("**Respondent**") seeking to set aside the order of the Debt Recovery Tribunal, Bangalore in relation to non payment of dues of ₹ 0.8 million. The matter is currently pending final disposal.

(viii) State Bank of India has filed an application before the Debts Recovery Tribunal, Madurai bearing no. TA 462/2007 against Aruna Textiles & Exports ("**Borrower**") dated October 2010. Since our Promoter is holding *pari-passu* charge over the secured property along-with State Bank of India, our Promoter is also added as necessary party. In the abovementioned application, State Bank of India has sought for an order for sale of property and that the proceeds should be adjusted between State Bank of India and our Promoter. Our Promoter has also filed its counter statement and has sought for payment of ` 0.31 million from the Borrower, and further requested for the sale of the secured property and that the sale proceeds be adjusted between State Bank of India and our Promoter. Our Promoter has filed claim petition before the Official Liquidator. The matter is pending hearing and final disposal.

(ix) Our Promoter had initiated recovery proceedings against IGGI Resorts ("**Defendants**") before the Court of Small Causes, Chennai (the "**Court**")bearing G.O. no. 55 dated January 01, 2002 in relation to default in repayment of dues to the value of ₹ 2.5 million, and has sought recovery through sale of the secured property secured. The Court has granted an interim order to I.G. of Police, Economic Offence Wing and has restrained and prohibited our Promoter from proceeding further against the suit property. Further, the Income Tax Department, has also attached the property of the Defendants due to non-payment of tax dues. The matter is pending hearing and final approval.

III. Legal proceedings involving the Directors of our Company

There are no legal proceedings pending against any of our Directors before any court, tribunal or any other adjudicating body in India.

IV. Legal proceedings involving our Group Entities

There are no outstanding legal proceedings involving any of our Group Entities.

V. Legal proceedings involving the Objects of the Issue

There are no outstanding legal proceedings pertaining to the objects of the Issue.

Material developments since the last balance sheet date

Except as disclosed in the section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page 130, in the opinion of our Board, there have not arisen, since Fiscal 2012, any circumstances that materially or adversely affect or are likely to affect our profitability or the value of our consolidated assets or its ability to pay its material liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

In view of the approvals listed below, our Company can undertake the Issue and our current business activities, and no further major approvals from any governmental or regulatory authority or any other entity are required to undertake the Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Red Herring Prospectus. For further details in connection with the regulatory and legal framework within which we operate, see the section titled "*Regulations and Policies*" beginning on page 90.

A. Approvals relating to the Issue

1. In-principle approval from the NSE dated October 24, 2011;

2. In-principle approval from the BSE dated November 4, 2011;

3. Approval from the NHB dated September 24, 2011;

4. The Board, pursuant to its resolution dated September 13, 2011, authorised the Issue subject to the approval of the shareholders of our Company under Section 81(1A) of the Companies Act and approvals by such other authorities as may be necessary;

5. The shareholders of our Company have, pursuant to the special resolution dated September 13, 2011 under Section 81(1A) of the Companies Act, authorised the Issue;

6. Our Board has, pursuant to its resolution dated September 28, 2011, approved the DRHP;

7. Our Board has, pursuant to its resolution dated February 4, 2013, approved this Red Herring Prospectus and

8. The Ministry of Home Affairs, Government of India has, pursuant to its letter dated March 17, 2011, approved the Issue.

B. Incorporation Details

1. Certificate of incorporation dated April 4, 2000 issued by the RoC.

2. Certificate of commencement of business dated May 2, 2000 issued by the RoC.

3. Company Identification Number: U65922TN2000PLC44655.

C. Approvals relating to our business and operations

Our Company has received the following significant approvals pertaining to our business:

Sr. No.	Approval	Authority	Reference/Registration Number	Date	Expiry Date
1.	Grant of certificate of registration to our Company under section 29A of the National Housing Bank Act, 1987 to commence/carry on the business of a HFC	NHB	01.0030.02	May 24, 2002	Not applicable

Out of 40 branches and 6 satellite centres of our Company outside Tamil Nadu, we have obtained registrations for 32 locations. We are in the process of registering certain of our other locations as may be required under the laws relating to shops and establishments in the relevant states where they are located.

D. Applications in relation to our business and operations

Sr. No.	Application	Authority	Reference Number	Date of application
1.	Application under section 182 of the Bengal Municipal Act, 1932 for trade licence in connection with premises of our Company located at DL-209, SEC II, Salt lake, Kolkata-700091	Bidhannagar Municipality	14540	May 21, 2012

E. Approvals in relation to intellectual property rights

Sr. No.	Approval	Authority	Reference/Registration Number	Date	Expiry Date
1.	Registration of trademark "Repco Home Finance" under class 36 for providing housing loans and other loans, finance and investment services dealing in financial affairs and monetary affairs	Registrar of Trademarks, Trademarks Registry, Chennai	1721041	Registered on March 3, 2011 with effect from August 13, 2008	August 12, 2018

F. Taxation related registrations

We have received the following major taxation related registrations:

Sr. No.	Approval Granted	Authority	Reference/Registration Number	Date of Issue	Validity
1.	PAN	Income Tax Department	AACCR0209F	November 17, 2005	Not applicable
2.	TAN	Income Tax Department	CHER02676C	June 5, 2002	Not applicable
3.	Service Tax registration under section 69 of the Finance Act, 1994 under the taxable category of banking and financial services	Officer of the Commissioner of Service Tax, Service Tax Commissionerate, Chennai	AACCR0209FST001	April 26, 2007	Not applicable
4.	Grant of certificate of registration under	Commercial Taxes Department, Government of Karnataka	P04112592	June 24, 2010	Not applicable

	Karnataka Tax on Professions, Traders, Calling and Employment Act, 1976 registering our Company as an employer for the premises located at 190/10, New No. 667, 1st Floor, K. B. Extension, SVC Plaza P.B. Road, Davangere with effect from June 10, 2010				
5.	Certificate of enrolment granted to our Company under Karnataka Tax on Professions, Traders, Calling and Employment Act, 1976 for the premises located at 190/10, New No. 667, 1st Floor, K. B. Extension, SVC Plaza P.B. Road, Davangere	Commercial Taxes Department, Government of Karnataka	P04112591	June 24, 2010	Not applicable
6.	Grant of certificate of registration under Karnataka Tax on Professions, Traders, Callings and Employment Act, 1976 for the premises located at 109, 1st floor, 'A' Wing, Mittal Tower, M.G. Road, Bangalore	Profession Tax Officer, 5th Circle, Bangalore	Sl.No.84/2007-08 P05P:9661 and 9660	May 18, 2007	March 31, 2013

7.	Grant of certificate of registration under Karnataka Tax on Professions, Traders, Callings and Employment Act, 1976 for the premises located at No.515, 1st floor, Panchamanthra Road, P and T Block, Kuvempu Nagar, Mysore 570 023, Karnataka, India	Office of the Professional Tax Officer, Mysore	P02602056/08-09	July 2, 2008	Not applicable
8.	Grant of certificate of registration to our Company as an employer under West Bengal State Tax on Professions, Trades, Callings and Employments Act, 1979	Profession Tax Officer, Kolkata East Range	RCE0057924	October 9, 2012 with effect from September 1, 2012	Not applicable

G. Labour related registrations

Sr. No.	Approval Granted	Authority	Reference/Registration Number	Date of Issue	Validity
1.	Registration with code no. TN/49972 under the Employees Provident Funds and Miscellaneous Provisions Act, 1952	Employees' Provident Fund Organisation, Regional Office – Chennai Region and Puducherry	TN/49972	June 12, 2002	Not applicable

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

- Our Board has, pursuant to its resolution dated September 13, 2011, authorised the Issue, subject to the approval of the shareholders of our Company under Section 81(1A) of the Companies Act.
- The shareholders of our Company have authorised the Issue pursuant to their special resolution dated September 13, 2011 under Section 81(1A) of the Companies Act and authorised the IPO Committee to take decisions in relation to the Issue.
- Further, our Board has approved the DRHP through its resolution dated September 28, 2011 and this Red Herring Prospectus pursuant to its resolution dated February 4, 2013.
- The Ministry of Home Affairs of the Government of India has authorised the Issue vide its letter dated March 17, 2011.
- Our Company has received the in-principle approvals from the NSE and the BSE pursuant to their letters dated October 24, 2011and November 4, 2011 respectively.

Prohibition by RBI

None of our Company, our Directors, our Promoter or our Group Entities has been declared as wilful defaulters by the RBI or any other governmental authority.

Prohibition by SEBI or governmental authorities

We confirm that neither (i) our Company, our Promoter, persons in control of our Promoter, our Directors and our Group Entities, nor (ii) companies with which our Company, our Promoter, Directors or persons in control of our Company are or were associated as a promoter, director or person in control are debarred or have been prohibited from accessing the capital markets under any order, direction passed by SEBI or any other authority except as disclosed in the section titled "Our Management" under the head "*Directorships in companies suspended or delisted*" on page 110.

Further, there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them.

None of our Directors are associated with the securities market in any manner and SEBI has not initiated any action against any of our Directors.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Regulation 26(1) of the SEBI ICDR Regulations in the following manner:

- Our Company has net tangible assets of at least ₹ 30 million in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;
- Our Company has a minimum average pre-tax operating profit of ₹ 150 million, calculated on a restated and consolidated basis, during the three most profitable years out of the immediately preceding five years ;
- Our Company has a net worth of at least ₹ 10 million in each of the three preceding full years (of 12 months each);
- The aggregate of the Issue and all previous issues made in the same financial years in terms of the issue size is not expected to exceed five times the pre-Issue net worth of our Company as per the audited balance sheet of the preceding financial year i.e. net worth of ₹ 3,032.63 million as on March 31, 2012; and
- Our Company has not changed its name in the last one year.

Our Company's distributable profits, net worth, net tangible assets and monetary assets derived from its restated financial statements for Fiscal 2012, 2011, 2010, 2009 and 2008, are set forth below:

(in ₹million)

Particulars	Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2009	Fiscal 2008
Pre-tax operating profit[1]	876.61	772.87	600.88	332.60	184.46
Average pre-tax operating profit of the three most profitable years	750.12				
Net worth [2]	3,032.63	2,416.37	1,904.31	1,518.96	1,327.21
Net tangible assets [3]	2,953.33	2,388.81	1,885.78	1,507.38	1,315.69
Monetary assets [4]	175.02	84.55	641.81	345.54	652.78
Monetary assets as a percentage of the net tangible assets (%)	5.92	3.54	34.03	22.92	49.61

(1) 'Pre-tax operating profit' is computed as the profit before taxation excluding other income.
(2) 'Net worth' has been defined as the aggregate of equity share capital and reserves, excluding revaluation reserve and miscellaneous expenditures, if any
(3) 'Net tangible assets' means the sum of all net assets of the Company excluding intangible assets as defined in Accounting Standard-26 issued by the ICAI.
(4) Monetary assets comprise cash and bank balances and public deposit accounts with the Government.

In accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted under the Issue shall not be less than 1,000; otherwise the entire application money will be refunded. If such money is not repaid within 12 Working Days of the Bid/Issue Closing Date or within 15 days of the Bid/Issue Closing Date, whichever is earlier, then our Company shall, on and from expiry of eight days, be liable to repay the money with interest at the rate of 15% per annum on the application money, as prescribed by applicable law.

The Issue is being made for at least 25% of the post Issue paid-up capital pursuant to Rule 19(2)(b)(i) of the SCRR read with Regulation 41(1) of the SEBI ICDR Regulations. Our Company is eligible for the Issue in accordance with Regulation 26(1) of the SEBI ICDR Regulations. Further, the Issue is being made through the Book Building Process wherein 50% of the Net Issue shall be available for allocation to QIBs on a proportionate basis. Further, not less than 15% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue will be available for allocation to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. The allotment of Equity Shares to each Retail Individual Bidder shall not be less than minimum bid lot, subject to availability of Equity Shares in Retail Investor category, and the remaining available Equity Shares, if any, shall be allotted on proportionate basis. Our Company may, in consultation with the BRLMs, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds only. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. For further details, please see the section titled "*Issue Procedure*" beginning on page 207.

Apart from the above, our Company is in compliance with the following conditions specified under Regulation 4(2) of the SEBI ICDR Regulations:

(a) Our Company has applied to the NSE and the BSE for obtaining their in-principle listing approval for listing of the Equity Shares under the Issue through its applications dated October 3, 2011 and has received the in-principle approvals from the NSE and the BSE pursuant to their letters dated October 24, 2011and November 4, 2011 respectively. For the purposes of the Issue, the NSE shall be the Designated Stock Exchange;

(b) Our Company has entered into agreement dated January 15, 2013 with NSDL and Karvy Computershare Private Limited, respectively, for dematerialisation of the Equity Shares;

(c) Our Company has entered into agreement dated May 14, 2012 with CDSL and Karvy Computershare Private Limited, respectively, for dematerialisation of the Equity Shares in connection with the Issue; and

(d) The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing the DRHP and this Red Herring Prospectus.

We propose to meet our expenditure towards the objects of the Issue entirely out of the proceeds of the Issue, and accordingly, no amount is proposed to be raised through any other means of finance. Accordingly, Clause VII C of Part A of Schedule VIII of the SEBI ICDR Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the amount to be raised through the Issue) does not apply. For further details, please see the section titled "*Objects of the Issue*" beginning on page 47.

Disclaimer Clause of SEBI

AS REQUIRED, A COPY OF THE DRHP HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRHP TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRHP. THE BRLMS, NAMELY SBI CAPS, IDFC CAPITAL AND JM FINANCIAL HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRHP ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI ICDR REGULATIONS IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRHP, THE BRLMS NAMELY SBI CAPS, IDFC CAPITAL AND JM FINANCIAL ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMS NAMELY SBI CAPS, IDFC CAPITAL AND JM FINANCIAL HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 30, 2011 WHICH READS AS FOLLOWS:

THE BRLMS STATE AND CONFIRM AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION (INCLUDING COMMERCIAL DISPUTES) AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS DATED SEPTEMBER 30, 2011 ("DRHP") PERTAINING TO THE ISSUE;

2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:

(A) THE DRHP FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

(B) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, *ETC.* FRAMED/ISSUED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(C) **THE DISCLOSURES MADE IN THE DRHP ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED ("SEBI ICDR REGULATIONS"), AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRHP ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS – <u>NOTED FOR COMPLIANCE</u>.**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF ITS SPECIFIED SECURITIES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRHP WITH SEBI TILL THE DATE OF COMMENCEMENT OF THE LOCK-IN PERIOD AS STATED IN THE DRHP.**

6. **WE CERTIFY THAT REGULATION 33 OF THE SEBI ICDR REGULATIONS, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTER'S CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRHP.**

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI ICDR REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. <u>NOT APPLICABLE</u>.**

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION. <u>NOTED FOR COMPLIANCE</u>.**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRHP THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. NOT APPLICABLE.**

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI ICDR REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRHP:**

    (A) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY AND
    (B) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI ICDR REGULATIONS WHILE MAKING THE ISSUE.**

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER'S EXPERIENCE, ETC.**

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI ICDR REGULATIONS, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRHP WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**

The filing of this Red Herring Prospectus does not, however, absolve our Company from any liabilities under Section 63 and Section 68 of the Companies Act or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the BRLMs, any irregularities or lapses in this Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 60B of the Companies Act. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 56, 60 and 60B of the Companies Act.

Disclaimer from our Company, our Directors and the BRLMs

Our Company, our Directors and the BRLMs accept no responsibility for statements made otherwise than those contained in the Red Herring Prospectus or in any advertisements or any other material issued by or at our Company's instance. Anyone placing reliance on any other source of information, including our Company's website, www.repcohome.com, or the website of our Promoter, www.repcobank.co.in, Group Entities or of any affiliate or associate of our Company, would be doing so at his or her own risk.

Caution

The BRLMs accept no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement to be entered into between the Underwriters and our Company.

All information shall be made available by our Company and the BRLMs to the public and investors at large and no selective or additional information would be made available for a section of investors in any manner whatsoever including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

Neither our Company, including its officers and our Directors, nor any member of the Syndicate shall be liable to Bidders for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Bidders will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and that they shall not issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

The BRLMs and their respective affiliates may engage in transactions with, and perform services for, our Company and its Group Entities or affiliates in the ordinary course of business and have engaged, or may in the future engage, in transactions with our Company and its Group Entities or affiliates for which they have received, and may in the future receive, compensation.

Disclaimer in Respect of Jurisdiction

The Issue is being made in India, to persons resident in India, including Indian national residents in India who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI's permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified in Section 4A of the Companies Act, state industrial development corporations, insurance companies registered with the IRDA, provident funds (subject to applicable law) with minimum corpus of ₹ 250 million and pension funds with minimum corpus of ₹ 250 million, the National Investment Fund, insurance funds set up and managed by the army, navy or air force of the Union of India and permitted Non-Residents including FIIs, their Sub-Accounts, multilateral and bilateral financial institutions and Eligible NRIs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

The Red Herring Prospectus and the Prospectus will not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the DRHP and this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of the Issue will be subject to the jurisdiction of appropriate courts in Chennai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the DRHP has been filed with SEBI for its observations and SEBI shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the U.S Securities Act of 1933, as amended (the "U.S Securities Act") and may not be offered or sold within the United States (as defined in Regulation S of the U.S Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold outside the United States in reliance on Regulation S of the U.S Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Bidder where required must agree in the CAN that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Disclaimer Clause of the BSE

BSE Limited ("the Exchange") has given vide its letter dated November 4, 2011, permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or

b) warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or

c) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of the NSE

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter ref.: NSE/LIST/148237-7 dated October 24, 2011 permission to the Issuer to use NSE's name in this Red Herring Prospectus as one of the stock exchanges on which the Issuer's securities are proposed to be listed. The NSE has scrutinised the Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that this Red herring Prospectus has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that the Issuer's securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of the Issuer, its promoters, its management or any scheme or project of the Issuer. Every person who desires to apply for or otherwise acquire any securities of the Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Price information of the past issues handled by BRLMs

a. Price information of past issued handled by SBI Caps

Sr. No.	Issue Name	Issue size (₹ Mn.)	Issue price (₹)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar day from listing day (Closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar day from listing day (Closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar day from listing day (Closing)
1.	SJVN Limited	10,627.37	26.00	May 20, 2010	27.10	25.10	(3.46%)	4,947.60	24.70	5,086.30	24.10	4,987.10	24.10	5,262.60
2.	Jaypee Infratech Limited	22,576.00	102.00	May 21, 2010	98.00	91.45	10.34%	4,931.15	83.50	5,086.30	76.20	5,000.30	86.30	5,353.30
3.	Microsec Financial Services Limited	1,475.00	118.00	October 5, 2010	135.10	110.90	(6.02%)	20,407.71	91.00	20,497.64	88.60	20,303.12	79.40	20,465.74
4.	Electrosteel Steels Limited	2,852.77	11.00	October 8, 2010	12.35	11.25	2.27%	20,250.26	10.80	20,168.89	10.95	20,005.37	11.12	20,852.38
5.	Tecpro Systems Limited	2,679.05	355.00	October 12, 2010	399.40	407.85	14.89%	20,203.34	399.95	20,260.58	425.50	20,355.63	418.20	20,875.71
6.	A2Z Maintenance & Engineering services limited	7,762.47	400.00	December 23, 2010	390.00	328.90	17.78%	19,982.88	327.35	20,561.05	302.85	19,196.34	302.85	19,007.53
7.	Punjab & Sind Bank	4,708.20	120.00	December 30, 2010	146.10	127.05	5.88%	20,389.07	118.55	19,224.12	119.85	19,092.05	110.20	18,395.97
8.	PTC India Financial Services Limited	4,334.79	28.00	March 30, 2011	26.75	24.90	11.07%	5,787.65	23.40	5,842.00	22.05	5,729.10	22.20	5,785.45
9.	Credit Analysis and Research Limited	5,399.77	750.00	December 26, 2012	949.00	923.95	23.19%	19,417.46	934.45	19,784.08	924.15	19,906.41	916.60	19,923.78
10.	PC Jeweller Limited	6,013.08	135.00(6)	December 27, 2012	135.50	149.00	10.37%	19,323.80	181.90	19,691.42	169.00	19,986.82	157.80	20,103.53

Note: The 10th, 20th and 30th calendar day computation includes the listing day. If either of the 10th, 20th or 30th calendar days is a trading holiday, the next trading day is considered for the computation.

1. Issue price for employees and retail individual bidders was ₹ 24.70
2. Issue price for retail individual bidders was ₹ 96.90
3. Issue price for bidding employee was ₹ 338.00
4. Issue price for bidding employee was ₹ 380.00
5. Issue price for retail individual bidders was ₹ 27.00
6. Issue price for employees and retail individual bidders was ₹ 130.00

b. Summary statement of price information of past issues handled by SBI Caps

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹ Mn.)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30th calendar day from listing day			No. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2010-2011	9.00	57,015.65	-	-	6	-	-	3	-	2	5	-	-	2
2011-2012	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2012-2013	2.00	11,412.85	-	-	-	-	-	2	-	-	-	-	-	2

Note: The 30th calendar day computation includes the listing day. If the 30th calendar day is a trading holiday, the next trading day is considered for the computation.

c. Price information of past issued handled by IDFC Capital

Sr. No.	Issue Name	Issue size (Rs. Mn.)	Issue price (Rs.)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar day from listing day (Closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar day from listing day (Closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar day from listing day (Closing)
1	SJVN Limited	10,625.1	26.0	May20, 2010	24.7	25.1	(3.46%)	4,947.6	24.7	5,086.3	24.2	5,000.3	24.1	5,353.3
2	Jaypee Infratech Limited	2,620.0	102.0	May 21, 2010	98.0	91.5	(10.34%)	4,931.2	83.5	5,086.3	77.0	5,078.6	86.3	5,353.3
3	Engineers India Limited	9,593.5	290.0	August 12, 2010	315.0	321.2	10.74%	18,073.9	327.6	18,409.4	328.7	18,205.9	351.2	19,208.3
4	Gujarat Pipavav Port Limited	5,000.0	46.0	September 9, 2010	56.1	54.1	17.50%	5,640.1	54.9	5,980.5	61.0	5,991.3	58.0	6,135.9
5	Ashoka Buildcon Limited	2,250.0	324.0	October 14, 2010	333.6	333.4	2.89%	20,497.6	311.1	20,303.1	305.4	20,465.7	309.2	20,309.7
6	VA Tech Wabag Limited	4,725.9	1,310.0	December 15, 2010	1.500.0	1.496.5	14.23%	5,892.3	1540.7	5,998.1	1,554.9	6,146.4	1501.0	5,654.6
7	The Shipping Corporation Limited	11,647.3	140.0	December 15, 2010	138.0	132.6	(5.29%)	5,892.3	131.2	5,998.1	135.7	6,146.4	121.2	5,654.6
8	A2Z Maintenance & Engineering Limited	7,762.5	400.0	December 23, 2010	390.0	328.9	(17.78%)	19,982.9	327.4	20,561.1	302.9	19,534.1	301.7	19,151.3
9	Tribhovandas Bhimji Zaveri Limited	2,000.0	120.0	May 9, 2012	115.0	111.2	(7.33%)	16,479.6	120.3	16,183.3	116.0	16,438.6	110.0	16,718.9

Source: www.bseindia.com, www.nseindia.com for the price information and prospectus for issue details

Notes:

i. In case of reporting dates falling on a holiday, values for the trading day immediately following the holiday has been considered

ii. Price information and benchmark index values has been shown only for designation stock exchange for the issuer

iii. BSE is the designated stock exchange for the issues listed as item 3, 5, 8 and 9. NSE is the designated stock exchange for the remaining issues mentioned in the table above.

d. Summary statement of price information of past issues handled by IDFC Capital

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹ Mn.)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30th calendar day from listing day			No. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2009-2010	8	74,224.24	-	-	4	-	-	4	-	-	5	-	1	2
2010-2011	Nil	-	-	-	-	-	-	-	-	-	-	-	-	-
2011-2012	1	2,000.00	-	-	1	-	-	-	-	-	1	-	-	-

e. Price information of past issued handled by JM Financial

Sr. No.	Issue Name	Issue size (₹ Mn.)	Issue price (₹)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar day from listing day (Closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar day from listing day (Closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar day from listing day (Closing)
1	SJVN	10,627.4	26.00[(3)]	May 20,	28.00	25.05	(3.7%)	16,519.7	24.60	16,944.6	24.10	16,657.9	24.15	17,876.6

Sr. No.	Issue Name	Issue size (₹ Mn.)	Issue price (₹)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar day from listing day (Closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar day from listing day (Closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar day from listing day (Closing)
	Limited			2010										
2	Jaypee Infratech Limited	22,576.1	102.00(4)	May 21, 2010	93.00	91.30	(10.5%)	16,445.6	83.30	16,944.6	77.20	16,922.1	86.35	17,876.6
3	Career Point Infosystems Limited	1,150.0	310.00(5)	October 6, 2010	461.00	632.35	104.0%	20,543.1	487.75	20,168.9	496.85	20,221.4	483.20	21,005.0
4	Orient Green Power Co. Limited	9,000.0	47.00	October 8, 2010	45.70	44.90	(4.5%)	20,250.3	41.15	20,168.9	40.45	19,941.0	38.75	20,852.4
5	BS Transcomm Limited	1,904.5	248.00	October 27, 2010	251.00	378.50	52.6%	20,005.4	245.65	20,852.4	205.15	19,865.1	162.05	19,136.6
6	Claris Lifesciences Limited	3,000.0	228.00(6)	December 20, 2010	224.40	205.85	(9.7%)	19,888.9	204.85	20,389.1	199.10	19,224.1	185.35	18,978.3
7	PTC India Financial Services Limited	4,332.8	28.00(7)	March 30, 2011	28.00	24.90	(11.1%)	19,290.2	23.05	19,262.5	21.75	19,121.8	21.65	19,136.0
8	Future Ventures India Limited	7,500.0	10.00	May 10, 2011	9.50	8.30	(17.0%)	18,512.8	8.35	18,326.1	8.15	18,232.1	9.28	18,384.9
9	L&T Finance Holdings Limited	12,450.0	52.00(8)	August 12, 2011	51.00	49.95	(3.9%)	16,839.6	44.70	16,341.7	50.45	16,821.5	50.90	16,501.7
10	Tree House Education & Accessories Limited	1,120.6	135.00(9)	August 26, 2011	132.80	116.55	(13.7%)	15,848.8	119.20	16,713.3	137.40	16,876.5	172.30	16,051.1

Notes:

1. In case of reporting dates falling on a holiday, values for the trading day immediately following the holiday have been considered
2. Benchmark Index is BSE Sensex
3. Issue Price for retail individual bidders was ₹ 24.70
4. Issue Price for retail individual bidders was ₹ 96.90
5. Issue Price for eligible employees was ₹ 295.00
6. Issue Price for anchor investors was ₹ 293.00
7. Issue Price for retail individual bidders was ₹ 27.00
8. Issue Price for eligible employees was ₹ 50.00 and Issue Price for anchor investors was ₹ 56.00
9. Issue Price for retail individual bidders was ₹ 129.00

f. Summary statement of price information of past issues handled by JM Financial

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹ Mn.)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30th calendar day from listing day			No. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2010-2011	8	56,640.7	-	-	6	2	-	-	-	2	5	1	-	-

2011-2012	3	21,070.6	-	-	3	-	-	-	-	-	2	-	1	-
2012-2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Track record of past issues handled by the BRLMs

The track record of past issues handled by SBI Caps, IDFC Capital and JM Financial are available at http://www.sbicaps.com/Main/TrackRecordEquity.aspx, www.idfc.com/capital and www.jmfl.com, respectively.

Filing

A copy of the DRHP has been filed with SEBI at the Securities and Exchange Board of India, SEBI Bhavan, C-4A, G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400 051, Maharashtra.

A copy of this Red Herring Prospectus, along with the other documents required to be filed under Section 60B of the Companies Act, will be delivered for registration with the RoC located at the address mentioned below. Further, a copy of the Prospectus required to be filed under Section 60 of the Companies Act will be delivered for registration with the RoC located at the address mentioned below:

The Registrar of Companies
Tamil Nadu (Chennai)
Ministry of Corporate Affairs
Block No. 6, B Wing, 2nd floor
Shastri Bhawan
26 Haddows Road
Chennai 600 006

Listing

Applications will be made to the Stock Exchanges for permission to deal in, and for an official quotation of the Equity Shares. In consultation with the Designated Stock Exchange the 'Basis of Allotment' will be finalised.

If permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchanges, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. As prescribed under Section 73 of the Companies Act, if such money is not repaid within eight days after our Company become liable to repay it, *i.e.* from the date of refusal of permission from the Stock Exchanges then our Company and every Director who is an officer in default shall, on and from such expiry of eight days, be jointly and severally liable to repay the money, with interest at the rate of 15% p.a. on application money.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 7 Working Days of the finalisation of the Basis of Allotment for the Issue. Pursuant to a circular dated April 22, 2010 issued by SEBI, the listing of Equity Shares in the Issue is required to be completed within 12 Working Days of the Bid/Issue Closing Date.

Consents

Consents in writing of (a) our Directors, our Company Secretary and Compliance Officer, the BRLMs, the Auditors, the domestic legal counsel to our Company and to the Underwriters, the Bankers to our Company, the Registrar to the Issue, the Syndicate Members, Bankers to the Issue have been obtained and filed along with a copy of this Red Herring Prospectus with the RoC as required under Sections 60 and 60B of the Companies Act. Further, such consents will not been withdrawn up to the time of delivery of filing of the Prospectus with the RoC.

Expert Opinion

Except for the reports provided by the IPO Grading Agency, furnishing the rationale for its grading of the Issue, pursuant to the SEBI ICDR Regulations and (i) the Auditor's report on the restated financial statements, and (ii) statement of tax benefits, as provided by the Auditors, M/s R. Subramanian and Co., Chartered Accountants (copy of which reports have been included in this Red Herring Prospectus), we have not obtained any other expert opinions. The Auditors, M/s R. Subramanian and Co., have provided their written consent for the inclusion of their respective reports in this Red Herring Prospectus and being named as an expert, and such consents will not been withdrawn at the time of delivery of this Red Herring Prospectus and the Prospectus for registration with the RoC.

Issue related expenses

Except as disclosed in the section titled *"Objects of the Issue"* beginning on page 47, the expenses of the Issue include, *inter alia*, fees payable to the BRLMs, underwriting and management fees, selling commission, SCSBs' commission/fees, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees.

The total expenses of the Issue are estimated to be approximately ₹ [●] million. The break up of the estimated Issue-related expenses is as follows:

Activity	Expenses*	% of Total Issue Expenses*	As a % of Issue Size*
Listing fees and other costs associated with listing including SEBI fees, processing fees of Stock Exchanges, bidding software expenses, depository charges etc.	[●]	[●]	[●]
Lead management, underwriting and selling commissions (including commission payable to SCSBs and Registered Brokers)	[●]	[●]	[●]
Commission payable to Registered Brokers	[●]	[●]	[●]
Processing fees to the SCSBs for processing ASBA Forms procured by the Syndicate or Registered Brokers and submitted to the SCSBs**	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Printing and stationery (including distribution)	[●]	[●]	[●]
Registrar's fees	[●]	[●]	[●]
Fees paid to the IPO Grading Agency	[●]	[●]	[●]
Fees paid to Bankers to the Issue	[●]	[●]	[●]
Other (audit fees, legal fees etc.)	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

**Will be incorporated at the time of filing of the Prospectus.*
*** SCSBs shall be entitled for processing fee of ₹ 15 for each ASBA Form procured by the Syndicate or Registered Brokers and submitted to SCSBs.*

Fees, Brokerage and Selling Commission Payable to the BRLMs and the Syndicate Members

The total fees payable to the BRLMs and the Syndicate Members (including underwriting commission, selling commission and reimbursement of their out-of-pocket expense) will be as stated in the engagement letter among our Company and the BRLMs.

Fees Payable to the Registrar to the Issue

The fees payable by our Company to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the agreement dated September 28, 2011 entered into, between our Company and the Registrar to the Issue, a copy of which will be made available for inspection at our Registered Office from 10.00 am to 4.00 pm on Working Days from the date of this Red Herring Prospectus until the Bid/Issue Closing Date.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund in any of the modes described in the Red Herring Prospectus or CAN by registered post/speed post/ordinary post.

Commission payable to Registered Broker

The commission payable to Registered Brokers shall be as mentioned below:

Application size (in ₹)	Commission to Registered Brokers
From ₹ 10,000 to ₹ 100,000	₹ 30 per Bid cum Application Form on valid Bids
Above ₹ 100,000	₹ 40 per Bid cum Application Form on valid bids

The total commission to be paid to the Registered Brokers for the applications procured by them, which are considered eligible for allotment in the Issue, shall be capped at ₹ 7.5 lakhs ("**Maximum Brokerage**"). In case the total commission payable to the Registered Brokers exceeds the Maximum Brokerage, then the amount paid to the Registered Brokers would be proportionately adjusted such that the total commission payable to them does not exceed the Maximum Brokerage. The quantum of commission payable to Registered Brokers is determined on the basis of applications and the terminal from which the bid has been uploaded will be taken into account in order to determine the commission payable to Registered Broker.

Option to Subscribe

The Equity Shares being offered through this Red Herring Prospectus can be applied for in dematerialised form only.

IPO Grading

The Issue has been graded by ICRA Limited and has been assigned the "IPO Grade 3/5" indicating average fundamentals through its letter dated December 18, 2012, pursuant to Regulation 26(6) of the SEBI ICDR Regulations. The IPO grading is assigned on a five point scale from 1 to 5 wherein an "IPO Grade 5" indicates strong fundamentals and "IPO Grade 1" indicates poor fundamentals. Attention is drawn to the disclaimer appearing under the paragraph titled *"Disclaimer of IPO Grading Agency*" in the section titled *"Other Regulatory and Statutory Disclosures"* on page 196. A copy of the report provided by ICRA Limited, furnishing the rationale for its grading is annexed to this Red Herring Prospectus and will be made available for inspection at our Registered Office from 10.00 a.m. to 4.00 p.m. on Working Days from the date of this Red Herring Prospectus until the Bid/Issue Closing Date. For details in relation to rationale/description furnished by the IPO Grading Agency, see Annexure beginning on page 276.

Disclaimer of IPO Grading Agency

Notwithstanding anything to the contrary, an ICRA IPO grade is a statement of current opinion of ICRA and is not a statement of appropriateness of the graded security for any of the investors. Such grade is assigned with due care and caution on the basis of analysis of information and clarifications obtained from the issuer concerned and also other sources considered reliable by ICRA. However, ICRA makes no representation or warranty, express or implied, as to the accuracy, authenticity, timelines or completeness of such information. An ICRA IPO grade is not (a) a comment on the present or future price of the security concerned (b) a certificate of statutory compliance and/or (c) a credit rating. Further, the ICRA IPO grade is not a recommendation of any kind including but not limited to recommendation to buy, sell, or deal in the securities of such issuer, nor can it be considered as an authentication of any of the financial statements of the company and ICRA shall not be liable for any losses incurred by users from any use of the grade in any manner. It is advisable that the professional assistance be taken by any prospective investor in the securities of the company including in the fields of investment banking, tax or law while making such investment. All services and information provided by ICRA is provided on an "as is" basis, without representations and warranties of any nature.

Annual updation of the Red Herring Prospectus

Our Company undertakes that the disclosures made in the Red Herring Prospectus shall be updated on an annual basis and shall be made publicly accessible in the manner specified by the Board.

Public or Rights Issues during the last five years

Our Company has not made any previous public issue (including any rights issue to the public) in the five years preceding the date of this Red Herring Prospectus.

Previous Issues of securities otherwise than for cash

Other than as disclosed in the section titled "*Capital Structure*" beginning on page 34, our Company has not issued any securities for consideration other than cash.

Public Issues in the last three years

Neither our Company nor our Group Entities have made any public issue (including any rights issue to the public) in the last three years.

Performance vis-à-vis Objects

There has been no public issue (including any rights issue to the public) by our Company or Group Entities.

Underwriting Commission, Brokerage and Selling Commission on Previous Issues

There has been no public issue of the Equity Shares in the past. Thus, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's inception.

Outstanding Debentures or Bond Issues or Preference Shares

Our Company has no outstanding debentures or bonds or redeemable preference shares or other instruments as of the date of this Red Herring Prospectus. For details please see the section titled *"Capital Structure"* beginning on page 34.

Stock Market Data of the Equity Shares

This being an initial public issue of our Company, the Equity Shares are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Issue and our Company provides for retention of records, including refund orders despatched the Bidders, with the Registrar to the Issue for a period of at least three years from the last date of dispatch of the letters of Allotment, or refund orders, demat credit or, where refunds are being made electronically, giving of refund instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the relevant members of the Syndicate as the case may be, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the relevant Designated Branch or collection centre of SCSB or the member of the Syndicate where the physical ASBA Form was submitted by an ASBA Bidder. All grievances relating to Bids submitted through the Registered Broker may be addressed to the Stock Exchanges with a copy to the Registrar.

In case of applications submitted by Bidders at the Registered Broker Centres, the acknowledgement by the Registered Broker will form basis of complaint and stock exchanges shall disclose publicly the complaint and grievance redressal mechanism along with monetary/non-monetary penalty.

Investors can contact the Compliance Officer or the Registrar to the Issue or any of the BRLMs in case of any pre-Issue or post Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary accounts and refund orders.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Mr. K. Prabhu, as the Company Secretary and Compliance Officer and he may be contacted in case of any pre-Issue or post Issue-related problems. He can be contacted at the following address:

Mr. K. Prabhu
Repco Home Finance Limited
Karumuttu Centre
Second Floor - North Wing
Old No: 498, New No: 634 Anna Salai
Nandanam, Chennai 600 035
Telephone: +91 44 4210 6650
Facsimile: +91 44 4210 6651
E-mail: cs@repcohome.com

Disposal of investor grievances by listed companies under the same management within the meaning of Section 370(1B) of the Companies Act

We do not have any listed companies under the same management within the meaning of Section 370(1B) of the Companies Act and therefore there are no investor complaints pending against our companies.

Change in Auditors

There have been no changes in our Company’s auditor in the last three years.

Capitalisation of Reserves or Profits

Our Company has not capitalised its reserves or profits at any time since its incorporation.

Revaluation of Assets

Our Company has not revalued its assets since its incorporation.

SECTION VII – ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, our Memorandum and Articles, the terms of this Red Herring Prospectus, the Prospectus, the Bid-cum-Application Form, the Revision Form, the Anchor Investor Allocation Notice (in case of Anchor Investors), the CAN and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to applicable laws, guidelines, notifications and regulations relating to the issue and transfer of capital and listing of securities issued from time to time by SEBI, the GoI, the Stock Exchanges, RBI, RoC, FIPB and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of our Memorandum and Articles and the Companies Act and shall rank *pari passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees in receipt of Equity Shares under the Issue will be entitled to dividends and/or any other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please see the section titled "*Main Provisions of the Articles of Association*" beginning on page 256.

Mode of Payment of Dividend

Our Company shall pay dividend, if declared, to the shareholders of our Company as per the provisions of our Memorandum and Articles, the Companies Act and the Listing Agreement.

Face value and Issue Price

The Equity Shares with a face value of ₹ 10 each shall be issued in terms of the Red Herring Prospectus at a price of ₹ [●] per Equity Share. The Anchor Investor Issue Price is ₹ [●] per Equity Share. At any given point of time, there shall be only one denomination for the Equity Shares of our Company, subject to applicable laws. The Price Band, Employee Discount, Retail Discount and the minimum Bid lot will be decided by our Company in consultation with the BRLMs. These will be published by our Company at least five Working Days prior to the Bid/Issue Opening Date, in an English national daily newspaper, a Hindi national daily newspaper and a regional newspaper in Tamil each with wide circulation.

Compliance with SEBI ICDR Regulations

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles, the equity shareholders of our Company shall have the following rights:

- right to receive dividend, if declared;
- right to attend general meetings and exercise voting powers, unless prohibited by law;
- right to vote on a poll either in person or by proxy;
- right to receive offers for rights shares and be allotted bonus shares, if announced;
- right to receive surplus on liquidation subject to any statutory and preferential claims being satisfied;
- right of free transferability subject to applicable RBI rules and regulations, if any; and
- such other rights as may be available to a shareholder of a listed public company under the Companies Act, the terms of the Listing Agreement and our Company's Memorandum and Articles of Association.

For further details on the main provisions of our Company's Articles of Association including those dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, please refer to the section titled "*Main Provisions of the Articles of Association*" beginning on page 256.

Market lot and trading lot

As per the applicable law, the trading of the Equity Shares shall only be in dematerialised form for all investors. Since trading of the Equity Shares will be in dematerialised form, the marketable lot is one Equity Share. In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialised form. Allotment in the Issue will be done only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares to successful Bidders.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts/authorities in Chennai, India.

Nomination facility to the Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death while the nominee is still a minor. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form available on request at the registered office of our Company or at the registrar and transfer agent of our Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

1. To register himself or herself as the holder of the Equity Shares; or
2. To make such transfer of the Equity Shares as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialised mode, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investors require a change the nomination, they are requested to inform their respective depository participant.

Minimum subscription

If the Net Issue is not fully subscribed, including devolvement of the Underwriters within 60 days from the Bid/Issue Closing Date, our Company shall forthwith but not later than 70 days of the Bid/Issue Closing Date refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under Section 73 of the Companies Act.

Further, in terms of Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom Equity Shares will be allotted shall not be less than 1,000

Application by Eligible NRIs, and FIIs

It is to be distinctly understood that there is no reservation for Eligible NRIs and FIIs. All Non Residents, NRIs, FIIs, multi-lateral and bilateral development financial institutions and any other foreign investor applicants will be treated on the same basis with other categories for the purpose of allocation. As per existing regulations, OCBs cannot participate in the Issue. Furthermore, VCFs and FVCIs are not permitted to invest in our Company in terms of the SEBI (Venture Capital Funds) Regulations, 1996, as amended, and the SEBI (Foreign Venture Capital Investors) Regulations, 2000, as amended, respectively

Arrangements for disposal of odd lots

Since the Equity Shares will be traded in dematerialised form only, the market lot for the Equity Shares will be one and no arrangements for disposal of odd lots are required.

Restriction on transfer and transmission of shares

There are no restrictions on transfers and transmission of shares/debentures and on their consolidation/splitting except as provided in our Articles. For details, please refer to the section titled "*Main Provisions of the Articles of Association*" beginning on page 256.

However, in terms of the SEBI ICDR Regulations, Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment of Equity Shares in the Issue.

Option to receive Equity Shares in Dematerialised Form

Allotment of Equity Shares to successful Bidders will only be in the dematerialised form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialised segment of the Stock Exchanges.

Joint Holders

Where two or more persons are holding the Equity Shares, they shall be deemed to hold the same as joint tenants with the benefits of survivorship.

ISSUE STRUCTURE

The Issue is of 15,720,262 Equity Shares for cash at a price of ₹ [●] per Equity Share including a share premium of ₹ [●] per Equity Share, aggregating up to ₹ [●] million. The Issue shall also comprise an Employee Reservation Portion of 180,000 Equity Shares aggregating to ₹ [●] million for subscription by the Eligible Employees. The Issue shall constitute 25.29% of the post Issue paid-up capital of our Company and the Net Issue shall constitute 25% of the post Issue paid-up capital of our Company.

The Issue is being made through the Book Building Process.

	QIBs#	**Non-Institutional Bidders**	**Retail Individual Bidders**	**Eligible Employees**
Number of Equity Shares*	Not more than 7,770,130 Equity Shares.	Not less than 2,331,040 Equity Shares available for allocation or Net Issue less allocation to QIBs and Retail Individual Bidders.	Not less than 5,439,092 Equity Shares available for allocation or Net Issue less allocation to QIBs and Non-Institutional Bidders.	180,000 Equity Shares
Percentage of Issue size available for Allotment/allocation	50% of the Net Issue being allocated. However, up to 5% of the Net QIB Portion shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining Net QIB Portion.	Not less than 15% of the Net Issue or the Net Issue less allocation to QIBs and Retail Individual Bidders.	Not less than 35% of the Net Issue or the Net Issue less allocation to QIBs and Non-Institutional Bidders.	1.14% of the Issue size
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate as follows: (a) [●] Equity Shares shall be allocated on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	The allotment of Equity Shares to each Retail Individual Bidder shall not be less than minimum bid lot, subject to availability of Equity Shares in Retail Investor category, and the remaining available Equity Shares, if any, shall be allotted on proportionate basis.	Proportionate

	QIBs#	Non-Institutional Bidders	Retail Individual Bidders	Eligible Employees
Minimum Bid	Such number of Equity Shares in multiples of [●] that the Payment Amount exceeds ₹ 200,000.	Such number of Equity Shares in multiples of [●] that the Payment Amount exceeds ₹ 200,000.	[●] Equity Shares	[●] Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of [●] not exceeding the Issue, subject to applicable limits.	Such number of Equity Shares in multiples of [●] not exceeding the Issue, subject to applicable limits.	Such number of Equity Shares in multiples of [●] such that the Payment Amount does not exceed ₹ 200,000.	Such number of Equity Shares in multiples of [●]such that the Payment Amount does not exceed ₹ 200,000.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Trading Lot	One Equity Share	One Equity Share	One Equity Share	One Equity Share
Who can Apply **	(i) a Mutual Fund registered with SEBI; (ii) an FII and sub-account (other than a sub account which is a foreign corporate or foreign individual), registered with SEBI; (iii) a public financial institution as defined in Section 4A of the Companies Act; (iv) AIFs, (v) a scheduled commercial bank; (vi) a multilateral and bilateral development financial institution; (vii) a state industrial development corporation; (viii) an insurance company registered with the Insurance Regulatory and Development Authority; (ix) a	Resident Indian individuals, Eligible NRIs, HUF (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals and Eligible QFIs.	Retail Individual Bidders	Eligible Employees

	QIBs#	Non-Institutional Bidders	Retail Individual Bidders	Eligible Employees
	provident fund with minimum corpus of ₹ 250 million; (x) a pension fund with minimum corpus of ₹ 250 million; (xi) 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; (xii) insurance funds set up and managed by army, navy or air force of the Union of India; and (xiii) insurance funds set up and managed by the Department of Posts, India eligible for Bidding in the Issue.			
Terms of Payment@	The entire Payment Amount shall be blocked in an account with a SCSB at the time of submission of Bid-cum-Application Form.	The entire Payment Amount shall be blocked in an account with a SCSB at the time of submission of Bid-cum-Application Form.	The Payment Amount shall be payable/be blocked in an account with a SCSB at the time of submission of Bid-cum-Application Form.	The Payment Amount shall be payable/be blocked in an account with a SCSB at the time of submission of Bid-cum-Application Form.

** Our Company, in consultation with the BRLMs, may decide to offer discounts to the Issue Price amounting to ₹ [●] and ₹[●] to Retail Individual Bidders and Eligible Employees, respectively.*

#Our Company may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. For further details, please see the section titled "Issue Procedure" beginning on page 207.

***Subject to valid Bids being received at or above the Issue Price. The Issue is being made through the Book Building Process wherein 50% of the Net Issue will be available for allocation to QIBs. Out of the QIB Portion (excluding the Anchor Investor Portion), 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 271,954* Equity Shares *Equity Shares, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to QIBs in proportion to their Bids. Further, not less than 15% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue will be available for allocation to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. The allotment of Equity Shares to each Retail Individual Bidder shall not be less than minimum bid lot, subject to availability of Equity Shares in Retail Investor category, and the remaining available Equity Shares, if any, shall be allotted on proportionate basis.*

Further 180,000 Equity Shares shall be available for allocation on a proportionate basis to the Eligible Employees, subject to valid Bids being received from them at or above the Issue Price. Any unsubscribed portion in any reserved category shall be added to the Net Issue to the public. In case of under-subscription in the Net Issue to the public category (except the QIB Portion), spill-over to the extent of under-subscription shall be permitted from the reserved category to the Net Issue to the public. Under-subscription, if any in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion shall be added to the Net Issue. In the event of under-subscription in the Net Issue (except the QIB Portion), spill-over to the extent of under-subscription shall be permitted from the Employee Reservation Portion to the Net Issue subject to provisions of the SEBI ICDR Regulations. Our Company will comply with the SEBI ICDR Regulations and any other ancillary directions issued by SEBI for the Issue.
@ In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the ASBA Account specified in the ASBA Form submitted by the ASBA Bidder. In case the Bid-cum-Application Form is submitted in joint names, the Bidders should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid-cum-Application Form.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before the Allotment. In such event, our Company shall issue a public notice in an English language national daily newspaper, a Hindi language national daily newspaper, and a Tamil language daily newspaper, each with wide circulation, in which the pre-Issue advertisements were published, which shall include reasons for such withdrawal, within two days of closure of the Issue. Our Company shall also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed and the BRLMs, through the Registrar to the Issue, shall notify the SCSBs to unblock the ASBA Accounts.

Further, in the event of a withdrawal of the Issue, if our Company subsequently determines that it will proceed with an initial public offering of its Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the final approval of the RoC, after the Prospectus is filed with the RoC.

Issue Programme

ISSUE OPENS ON	Wednesday, March 13, 2013*
ISSUE FOR QIBS CLOSES ON	Friday, March 15, 2013
ISSUE FOR RETAIL AND NON INSTITUTIONAL BIDDERS (INCLUDING ELIGIBLE EMPLOYEES BIDDING UNDER THE EMPLOYEE RESERVATION PORTION) CLOSES ON	Friday, March 15, 2013

**Our Company may consider participation by Anchor Investors. The Anchor Investors shall Bid on the Anchor Investor Bidding Date i.e. one Working Day prior to the Bid/Issue Opening Date.*

An indicative timetable in respect of this Issue is set out below:

Event	Indicative Date
Bid/ Issue Closing Date	Friday, March 15, 2013
Finalization of basis of allotment with the Designated Stock Exchange	On or about March 22, 2013
Initiation of refunds	On or about March 26, 2013
Credit of Equity Shares to investors' demat accounts	On or about March 30, 2013
Commencement of trading	On or about April 2, 2013

The above timetable is indicative and does not constitute any obligation on the Company or the BRLM. Whilst the Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within 12 Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/ Issue Period by the Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable law.

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids will be accepted only between **10.00 a.m. and 5.00 p.m. IST** during the Bidding/Issue Period at the Bidding Centres mentioned in the Bid-cum-Application Form, or in the case of ASBA Bidders, at the Designated Branches of the SCSBs or at the branches of the members of the Syndicate at the Syndicate ASBA centres, as the case may be, except that on the Bid/Issue Closing Date (which for QIBs will be a day prior to the Bid/Issue Closing Date for other non-QIB Bidders), Bids will be accepted only between **10.00 a.m. and 3.00 p.m. IST** and uploaded until (i) **5.00 p.m**. in case of Bids by QIB Bidders, Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion; and until (ii) **4.00 p.m.** for Non-Institutional Bidders. Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, Bidders other than QIB Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and no later than **12.00 p.m. IST** on the Bid/Issue Closing Date. Bidders other than QIB Bidders and Anchor Investors are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public issues, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation in the Issue. If such Bids are not uploaded, our Company and the Syndicate will not be responsible. Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday). On the Bid/Issue Closing Date, extension of time may be granted by the Stock Exchanges only for uploading the Bids received from Retail Individual Bidders, after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid-cum-Application Forms and ASBA Forms as stated herein and reported by the BRLMs to the Stock Exchanges within half an hour of such closure.

In case of any discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid-cum-Application Form, for a particular Bidder, the details as per the physical Bid-cum-Application Form of the Bidder may be taken as the final data for the purpose of Allotment. In case of any discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical or electronic Bid-cum-Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask for rectified data from a member of the Syndicate, in the event of a Bid submitted by an ASBA Bidder at any of the Syndicate ASBA Centres, (ii) the SCSBs, or (iii) the Registered Brokers, as the case may be.

Our Company, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bidding/Issue Period, provided that the Cap Price shall be less than or equal to 120% of the revised Floor Price and the revised Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price disclosed at least five days prior to the Bid/Issue Opening Date and the Cap Price will be revised accordingly.

In case of revision of the Price Band, the Bid/Issue Period will be extended for at least three additional Working Days after such revision of the Price Band subject to the total Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the SCSBs, BSE and the NSE, by issuing an advertisement and also by indicating the changes on the website of the BRLMs and at the terminals of the Syndicate.

ISSUE PROCEDURE

This section applies to all Bidders. Please note that pursuant to the SEBI circular dated April 29, 2011, bearing no. CIR/CFD/DIL/1/2011, all Bidders other than Retail Individual Bidders and Eligible Employees, i.e. QIBs (excluding Anchor Investors) and Non-Institutional Bidders, are mandatorily required to submit their Bids by way of ASBA. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to Bidders other than the ASBA Bidders. ASBA Bidders should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Bidders are required to pay the full Payment Amount or in case of ASBA Bids ensure that the ASBA Account has sufficient credit balance such that the entire Payment Amount can be blocked by the SCSB at the time of making the Bid.

Please note that pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2012, certain aspects, such as withdrawal and revision of Bids, manner of allocation to Retail Individual Bidders and announcement of Price Band, have been modified. Please note that such modifications have come into effect from October 12, 2012 and all Bidders are advised to read this section carefully before participating in the Issue.

Further, pursuant to SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012, Bidders can submit Bid-cum-Application Forms in the Issue using the stock broker network of the stock exchanges who are not Syndicate / sub Syndicate Members, i.e. through Registered Brokers. This mechanism can be used to submit ASBA as well as non ASBA applications. The details of the locations will be made available on the website of the Stock Exchanges.

Our Company, in consultation with the BRLMs, may decide to offer discounts to the Issue Price amounting to ₹ [●] and ₹ [●] to Retail Individual Bidders and Eligible Employees, respectively. Retail Individual Bidders and Eligible Employees should note that the benefit of the Retail Discount and Employee Discount can be availed at the time of submitting the Bid. Accordingly, after indicating the Payment Amount in the Bid-cum-Application Form, payment should be made of the Payment Amount i.e. the Bid Amount net of the Retail Discount or the Employee Discount, as the case may be.

In respect of QIBs that are Anchor Investors, the Issue Procedure set out below should be read with and is qualified by the paragraphs below relating to Anchor Investors including without limitation to the sub-section "Basis of Allotment - For Anchor Investors" on page 248.

Our Company and the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in applicable law, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as will be specified in this Red Herring Prospectus and the Prospectus.

Book Building Procedure

The Issue is being made through the Book Building Process wherein 50% of the Net Issue shall be available for allocation to QIBs on a proportionate basis. Provided that our Company may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis out of which at least one-third shall be reserved for domestic Mutual Funds only. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. The allotment of Equity Shares to each Retail Individual Bidder shall not be less than minimum bid lot, subject to availability of Equity Shares in Retail Investor category, and the remaining available Equity Shares, if any, shall be allotted on proportionate basis. Further, 180,000 Equity Shares shall be available for allocation on a proportionate basis to the Eligible Employees, subject to valid Bids being received from them at or above the Issue Price. However, the value of Allotment to any Eligible Employee shall not exceed ₹ 200,000.

In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion shall be added to the Net Issue. In the event of under-subscription in the Net Issue, spill-over to the extent of under-subscription shall be permitted from the Employee Reservation Portion to the Net Issue. In the event of under-subscription in the Retail Portion or the Non-Institutional Portion in the Net Issue, the unsubscribed portion would be allowed to be met with spill over from over subscription from any other category or a combination of categories at the sole discretion of the Company, in consultation with the BRLMs and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.

In case of QIBs, other than Anchor Investors, Bidding through Syndicate ASBA, the BRLMs may reject Bids for reasons to be recorded in writing provided that such rejection shall be made at the time of acceptance of the Bid and the reasons therefor shall be disclosed to the Bidders. In case of Non-Institutional Bidders, Retail Individual Bidders and Eligible Employees, our Company has a right to reject Bids based on technical grounds only.

Bidders can Bid at any price within the Price Band. The Price Band and the Bid Lot for the Issue will be decided by our Company, in consultation with the BRLMs, and advertised in an English national daily newspaper, a Hindi national daily newspaper and a Tamil daily newspaper, each with wide circulation at least five Working Days prior to the Bid/Issue Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price. This announcement shall be disclosed on the websites of the Stock Exchanges and shall also be pre-filled in the Bid-cum-Application Forms available on the websites of the Stock Exchanges.

Investors should note that Allotment to successful Bidders will only be in dematerialised form. Bid-cum-Application Forms which do not have the details of the Bidder's depository accounts including DP ID, PAN and Client ID will be treated as incomplete and rejected. Bidders will not have the option of receiving Allotment in physical form. On Allotment, the Equity Shares will be traded only on the dematerialised segment of the Stock Exchanges.

Bidders are required to ensure that the PAN (of the sole/first Bidder) provided in the Bid-cum-Application Form is exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held. If the Bid-cum-Application Form was submitted in joint names, Bidders are required to ensure that the beneficiary accounts are held in the same joint names in the same sequence in which they appeared in the Bid-cum-Application Form. The signatures of only such first Bidder would be required in the Bid-cum-Application Form and such first Bidder would deemed to have signed on behalf of the joint holder.

Bid-cum-Application Form

Retail Individual Bidders and Eligible Employees bidding through the non-ASBA process

Bidders other than ASBA Bidders can submit their Bids by submitting Bid-cum-Application Forms, in physical form, to the Syndicate, the Sub Syndicate or the Registered Brokers. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion shall use a Bid-cum-Application Forms bearing the stamp of a Syndicate / Sub Syndicate / Registered Broker, which will be available with the Syndicate / Sub Syndicate and at our Registered Office. In addition, the Bid-cum-Application Forms will also be available for download on the websites of the Stock Exchanges, SCSBs and broker terminals of the Stock Exchanges. The Syndicate/Sub Syndicate, or the Registered Brokers, as the case may be, will be required to affix their stamp and code on the Bid-cum-Application Forms.

The Bid-cum-Application Form shall be serially numbered, the date and time shall be stamped, and on submission of such form, signed by the Retail Individual Bidder or the Eligible Employee bidding in the Employee Reservation Portion, the Syndicate/ Sub Syndicate or Registered Brokers, as the case may be, shall issue an acknowledgement by stamping the acknowledgement slip attached to the Bid-cum-Application Form as proof of having accepted the Bid-cum-Application Form.

All Registered Brokers of NSE and BSE (list available at http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm and http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3) which are part of the nationwide broker network of the Stock Exchanges, are enabled to accept application forms. The Registered Broker shall be responsible for uploading the bid on the Stock Exchange platform, banking the cheque / submitting the ASBA form to the SCSBs, etc. and liable for any failure in this regard.

Retail Individual Bidders, Eligible Employees, QIBs (other than Anchor Investors) and Non-Institutional Bidders bidding through the ASBA process

ASBA Bidders can submit their Bids by submitting Bid-cum-Application Forms, either in physical or electronic mode, to the SCSB with whom the ASBA Account is maintained or in physical form to the Syndicate, the Sub Syndicate or the Registered Brokers.

In case of Bid-cum-Application Forms submitted to the Designated Branches, the Designated Branch shall verify if sufficient funds equal to the Payment Amount are available in the ASBA Account, as mentioned in the Bid-cum-Application Form, prior to uploading such application in the electronic system of the Stock Exchanges. If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such application and shall not upload such application in the electronic system of the Stock Exchanges. If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Payment Amount and upload details of the ASBA Application in the electronic system of the Stock Exchanges.

In case of an application in electronic mode, the ASBA Bidder shall submit the Bid-cum-Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly registering such application.

The physical Bid-cum-Application Forms, will be available with the Designated Branches, Syndicate/ Sub Syndicate and at our Registered Office. In addition, the Bid-cum-Application Forms will also be available for download on the websites of the Stock Exchanges, SCSBs and broker terminals of the Stock Exchanges. The Syndicate/ Sub Syndicate, the SCSBs or the Registered Brokers, as the case may be, will be required to affix their stamp and code on the physical Bid-cum-Application Forms and issue an acknowledgement to the ASBA Bidders as proof of having accepted the Bid-cum-Application Form.

ASBA Bidders bidding directly through the SCSBs should ensure that the Bid-cum-Application Form is submitted to a Designated Branch where the ASBA Account is maintained. ASBA Bidders bidding through a Syndicate, Sub Syndicate or the Registered Brokers should ensure that the Bid-cum-Application Form is submitted at the Syndicate ASBA Centres or the Registered Broker Centres, respectively.

Kindly note that Bid-cum-Application Forms submitted by ASBA Bidders to the Syndicate / Sub Syndicate at the Syndicate ASBA Centres, will not be accepted if the SCSB where the ASBA Account, as specified in the Bid-cum-Application Form is maintained, has not named or does not have at least one Designated Branch at that location for the Syndicate, Sub Syndicate or the Registered Brokers to deposit Bid-cum-Application Forms submitted by ASBA Bidders (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries**).**

All Registered Brokers of NSE and BSE (list available at http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm and http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3) which are part of the nationwide broker network of the Stock Exchanges, are enabled to accept application forms. The Registered Broker shall be responsible for uploading the bid on the Stock Exchange platform, banking the cheque / submitting the ASBA form to the SCSBs, etc. and liable for any failure in this regard.

In case of application in electronic form, the ASBA Bidder shall submit the Bid-cum-Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Bids.

Upon completing and submitting the Bid-cum-Application Form to the SCSB, the Syndicate / Sub Syndicate or the Registered Brokers at the Registered Broker Centres, the ASBA Bidder is deemed to have authorized our Company to make the necessary changes in this Red Herring Prospectus and the Bid cum Application Form, as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder. Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid-cum-Application Form shall be considered as the application form.

To supplement the foregoing, the mode and manner of Bidding through the Bid-cum-Application Form is illustrated in the following chart:

Category of bidder	Mode of Bidding	To whom the application form has to be submitted
Retail Individual Bidders and Eligible Employees	Either (i) ASBA or (ii) non-ASBA	In case of ASBA Bidders (i) If using physical Bid cum Application Form, to the Syndicate/ Sub Syndicate at the Syndicate ASBA Centres, or to the Designated Branches of the SCSBs where the ASBA Account is maintained, or to the Registered Brokers at the Registered Broker Centres ; or (ii) If using electronic Bid cum Application Form, to the SCSBs, electronically through internet banking facility, where the ASBA account is maintained. In case of non-ASBA Bidder: Using physical Bid cum Application Form, to the Syndicate/ Sub Syndicate at the Syndicate ASBA Centres or the Registered Brokers at the Registered Broker Centres.
Non-Institutional Bidders and QIBs (excluding Anchor Investors)	ASBA (*Kindly note that ASBA is mandatory and no other mode of Bidding is permitted*)	(i) If using physical Bid cum Application Form, to the Syndicate / Sub Syndicate at the Syndicate ASBA Centres, to the Designated Branches of the SCSBs where the ASBA Account is maintained, or to the Registered Brokers at the Registered Broker Centres; or (ii) If using electronic Bid cum Application Form, to the SCSBs, electronically through internet banking facility, where the ASBA Account is maintained.
Anchor Investors	Non- ASBA	To the members of the Syndicate at the Bidding Centres.

The prescribed colour of the Bid-cum-Application Form for various categories of Bidders is as follows:

Category	Colour of Bid-cum-Application Form *
Resident Indians and Eligible NRIs applying on a non-repatriation basis excluding Eligible Employees Bidding in the Employee Reservation Portion (ASBA and non-ASBA)	White
Non-Residents and Eligible NRIs, Eligible QFIs, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis and FIIs (ASBA and non-ASBA)	Blue
Eligible Employees Bidding in the Employee Reservation Portion (ASBA and non-ASBA)	Pink

Category	Colour of Bid-cum-Application Form *
Anchor Investors**	Green

* *Excluding electronic Bid-cum-Application Forms*

** *Bid-cum-Application Forms for Anchor Investors shall be available at the offices of the BRLMs*

Who can Bid?

- Indian nationals resident in India, who are not incompetent to contract under the Indian Contracts Act, 1872, as amended, in single or joint names (not more than three) Furthermore, based on the information provided by the Depositories, the Company shall have the right to accept Bids belonging to an account for the benefit of a minor (under guardianship);

- HUFs, in the individual name of the *Karta*. Such Bidders should specify that the Bid is being made in the name of the HUF in the Bid-cum-Application Form as follows: "Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids by HUFs will be considered at par with those from individuals;

- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares under their respective constitutional or charter documents;

- Foreign corporates or individuals Bidding in the QIB Portion, in accordance with all applicable law;

- Mutual Funds registered with SEBI;

- Eligible NRIs (whether on a repatriation basis or on a non-repatriation basis), subject to applicable law;

- Eligible QFIs under the Non-Institutional Bidders category;

- Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, cooperative banks (subject to RBI regulations and the SEBI ICDR Regulations and other applicable law);

- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, Bidding in the QIB Portion;

- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals, Bidding in the Non-Institutional Portion;

- Alternative Investment Funds;

- State industrial development corporations;

- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their respective constitutional or charter documents to hold and invest in equity shares;

- Scientific and/or industrial research organizations in India, which are authorised to invest in equity shares;

- Insurance companies registered with the IRDA;

- Insurance funds set up and managed by the Department of Posts, India;

- Provident funds with a minimum corpus of ₹ 250 million and who are authorised under their constitutional documents to hold and invest in equity shares;

- Pension Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitutional documents to hold and invest in equity shares;
- National Investment Fund;
- Insurance funds set up and managed by the army, navy or air force of the Union of India;
- Multilateral and bilateral development financial institutions;
- Limited Liability Partnerships;
- Eligible Employees; and
- Any other persons eligible to Bid in the Issue, under the laws, rules, regulations, guidelines and polices applicable to them.

In accordance with FEMA and regulations framed thereunder, OCBs cannot Bid in the Issue. Further, VCFs and FVCIs are not permitted to invest in our Company in terms of the SEBI (Venture Capital Funds) Regulations, 1996, as amended, and the SEBI (Foreign Venture Capital Investors) Regulations, 2000, as amended, respectively.

The Equity Shares have not been and will not be registered under the U.S Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States (as defined in Regulation S under the U.S Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act. The Equity Shares are being offered and sold only outside the United States in compliance with Regulation S under the U.S Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Anchor Investor Portion

Our Company, in consultation with the BRLMs, may consider participation by Anchor Investors in the Net Issue for up to 30% of the QIB Portion in accordance with the SEBI ICDR Regulations. Anchor Investors shall Bid on the Anchor Investor Bidding Date. The QIB Portion shall be reduced to the extent of allocation, if any under the Anchor Investor Portion. In accordance with the SEBI ICDR Regulations, the key terms for participation in the Anchor Investor Portion are as follows:

(a) Anchor Investors shall be QIBs as defined in the SEBI ICDR Regulations.

(b) The Bid by Anchor Investors must be for a minimum of such number of Equity Shares so that the Anchor Investor Bid Amount exceeds ₹ 100 million. A Bid by Anchor Investor cannot be submitted for more than the Anchor Investor Portion.

(c) Allocation to the Anchor Investors shall be on a discretionary basis and subject to the following:

i. Maximum of two such Bidders shall be permitted for allocation up to ₹ 100 million;
ii. Minimum of two and maximum of 15 such Bidders shall be permitted for allocation above ₹ 100 million and up to ₹ 2500 million, subject to minimum allotment of ` 50 million per such Bidder;
iii. Minimum of five and maximum of 25 such investors shall be permitted for allocation above ₹ 2,500 million, subject to minimum allotment of ₹ 50 million per such Bidder.

(d) [●] Equity Shares out of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds.

Bids by various schemes of a Mutual Fund shall be clubbed to calculate the Payment Amount.

(e) The Bidding for Anchor Investors shall open one Working Day before the Bid/Issue Opening Date and shall be completed on the same day.

(f) Anchor Investors are not permitted to Bid in the Issue through the ASBA process.

(g) Our Company, in consultation with the BRLMs, shall finalise allocation to the Anchor Investors on a discretionary basis, subject to compliance with requirements regarding minimum number of allottees.

(h) The number of Equity Shares allocated to the Anchor Investors and the price at which the allocation is made, shall be made available in the public domain by the BRLMs before the Bid/Issue Opening Date.

(i) Anchor Investors shall pay the entire Payment Amount at the time of submission of the Bid by the Anchor Investors. In case the Issue Price is greater than the price at which allocation was done to Anchor Investors, the additional amount per Equity Share being the difference between the Issue Price and the price at which allocation was made to the Anchor Investors shall be paid by the Anchor Investors by the Anchor Investor Pay-in Date. In the event the Issue Price is lower than the price at which allocation is being done to the Anchor Investors, the Allotment to Anchor Investors shall be at the price at which allocation was made to the Anchor Investors.

(j) Anchor Investors cannot withdraw nor lower the size of their Bids at any stage.

(k) The Equity Shares allotted in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

(l) Bids made by QIBs under both the Anchor Investor Portion and the Net QIB Portion shall not be considered as multiple Bids.

(m) The payment instruments for payment into the Escrow Account should be drawn in favour of:

- In case of Resident Anchor Investors: "Escrow Account – RHFL IPO – Anchor Investor – R"
- In case of Non-Resident Anchor Investor: "Escrow Account – RHFL IPO –Anchor Investor - NR"

Participation by associates and affiliates of the BRLMs and Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to subscribe to the Issue in any manner, except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLMs and the Syndicate Members may subscribe to or purchase Equity Shares in the Issue, in the Net QIB Portion or in Non-Institutional Portion as may be applicable to such Bidders. Such Bidding and subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

The BRLMs, the Syndicate Members, our Promoter and any persons related to them cannot apply in the Issue under the Anchor Investor Portion.

Bids by Mutual Funds

As per the SEBI ICDR Regulations, at least one third of the Anchor Investor Portion will be reserved for domestic Mutual Funds and 5% of the Net QIB Portion is reserved for allocation to Mutual Funds on a proportionate basis. An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand from Mutual Funds is greater than 271,954 Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion. A certified copy of the

SEBI registration certificate must be lodged by the Mutual Funds along with the Bid-cum-Application Form, failing this, our Company reserves the right to reject any Bid.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in the equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Non Residents including Eligible NRIs or FIIs registered with SEBI

There is no reservation in the Issue for Eligible NRIs or FIIs. Eligible NRIs and FIIs will be treated on the same basis as other categories for the purpose of allocation. In accordance with the FEMA and the regulations framed thereunder, OCBs cannot Bid in the Issue. Further, VCFs and FVCIs are not permitted to invest in our Company in terms of the SEBI (Venture Capital Funds) Regulations, 1996, as amended, and the SEBI (Foreign Venture Capital Investors) Regulations, 2000, as amended, respectively.

Bids by Eligible NRIs

Bid-cum-Application Form shall be made available for Eligible NRIs at our Registered Office and Corporate Office, with the members of the Syndicate, on the websites of the Stock Exchange and at the offices of the Registered Office. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs intending to make payment through freely convertible foreign exchange and Bidding on a repatriation basis could make payments through Indian Rupee drafts purchased abroad or cheques or bank drafts or by debits to their Non-Resident External ("**NRE**") or Foreign Currency Non-Resident ("**FCNR**") accounts, maintained with banks authorised by the RBI to deal in foreign exchange. Eligible NRIs Bidding on a repatriation basis are advised to use the Bid-cum-Application Form meant for Non-Residents, accompanied by a bank certificate confirming that the payment has been made by debiting to the NRE or FCNR account, as the case may be. Payment for Bids by non-resident Bidder Bidding on a repatriation basis will not be accepted out of Non-Resident Ordinary ("**NRO**") accounts.

Bids by FIIs

Under the extant law, the total holding by a single FII cannot exceed 10% of the post- Issue paid-up equity share capital of our Company and the total holdings of all FIIs and sub-accounts cannot exceed 24% of the post Issue paid-up equity share capital of our Company. In case of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each of the sub-account shall not exceed 10% of our total paid-up capital or 5% of our total paid-up capital in case such sub-account is a foreign corporate or an individual. The said 24% limit can be increased up to the applicable sectoral cap by passing a resolution by the Board followed by passing a special resolution to that effect by the shareholders of our Company. On April 29, 2011, the Board and shareholders of our Company have passed resolutions to increase the FII limit to the applicable sectoral cap.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the FII Regulations, an FII or its Sub-Account may issue, deal or hold, offshore derivative instruments (as defined under the FII Regulations as any instrument, by whatever name called, which is issued overseas by a foreign institutional investor against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. The FII or Sub-Account is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the FII Regulations. Associates and affiliates of the Underwriters, including the BRLMs that are FIIs, may issue offshore derivative instruments against Equity Shares Allotted to them. Any such offshore derivative instrument does not constitute any obligation or claim on or interest in our Company. A certified copy of the SEBI registration certificate must be lodged by the FIIs along with the Bid-cum-Application Form.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid-cum-Application Form, failing this, our Company reserves the right to reject any Bid.

Bids by Eligible QFIs

Eligible QFIs are permitted to invest in the equity shares of Indian companies on a repatriation basis subject to certain terms and conditions. Eligible QFIs have also been permitted to invest in equity shares of Indian companies which are offered to the public in India in accordance with the SEBI ICDR Regulations. The individual and aggregate investment limits for Eligible QFIs in an Indian company are 5% and 10% of the paid up capital of the Indian company, respectively. These limits are in addition to the investment limits prescribed under the portfolio investment scheme for FIIs and NRIs. However, in cases of those sectors which have composite foreign investment caps, Eligible QFI investment limits are required to be considered within such composite foreign investment cap. An Eligible QFI may make investments in the equity shares of an Indian company through both the FDI route and the QFI route. However, the aggregate holding of such Eligible QFI shall not exceed 5% of the paid-up capital of the Indian company at any point of time.

QFIs shall be eligible to Bid under the Non-Institutional Bidders category. Further, SEBI in its circular dated January 13, 2012 has specified, amongst other things, eligible transactions for Eligible QFIs (which includes investment in equity shares in public issues to be listed on recognised stock exchanges and sale of equity shares held by Eligible QFIs in their demat account through SEBI registered brokers), manner of operation of demat accounts by Eligible QFIs, transaction processes and investment restrictions. SEBI has specified that transactions by Eligible QFIs shall be treated at par with those made by Indian non-institutional investors in various respects including, margins, voting rights, public issues, etc.

Eligible QFIs shall open a single non-interest bearing Rupee account with an AD category-I bank in India for routing the payment for transactions relating to purchase of equity shares (including investment in equity shares in public issues) subject to the conditions as may be prescribed by the RBI from time to time.

Eligible QFIs who wish to participate in the Offer are advised to use the Bid-cum-Application Form meant for Non-Residents (blue in colour). Eligible QFIs shall compulsorily Bid through the ASBA process to participate in the Offer.

Eligible QFIs are not permitted to issue off-shore derivative instruments or participatory notes.

Bids by SEBI-registered Alternative Investment Funds

The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended ("**SEBI AIF Regulations)**, regulate investment by AIFs registered with SEBI. AIFs can invest in accordance with limits and procedure provided under the SEBI AIF Regulations.

Pursuant to the SEBI ICDR Regulations, the shareholding of SEBI-registered VCFs or AIF of category I or FVCIs held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year period from the date of purchase of such equity shares.

Category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A venture capital fund under the category I AIFs, as defined in the SEBI AIF Regulations, can invest only up to 33.33% of the corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996.

Refunds, dividends and other distributions, if any, will be payable in Indian rupees only at the rate of exchange prevailing at the time of remittance and net of bank charges and/or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian rupees will be converted into USD or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE Accounts, details of which should be furnished in the space provided for this purpose in the Bid-cum-Application Form. Our Company or BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid-cum-Application Form.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (the "**IRDA Investment Regulations**"), are broadly set forth below:

(a) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
(b) the entire group of the investee company: the least of 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of ULIPS); and
(c) the industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of ULIPS).

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid-cum-Application Form.

The above information is given for the benefit of the Bidders. Our Company, the Directors, the officers of our Company and the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the investment limits or the maximum number of Equity Shares that can be held by them under applicable laws or regulations.

Bids by SCSBs

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Bids by Eligible Employees

Employee Reservation Portion means the portion of the Issue being 180,000 Equity Shares available for allocation to Eligible Employees, on a proportionate basis.

Bids by Eligible Employees under the Employee Reservation Portion shall be subject to the following:

- Only Eligible Employees (as defined in this Red Herring Prospectus) would be eligible to apply in the Issue under the Employee Reservation Portion.

- Our Company, in consultation with the BRLMs, may decide to offer a discount to the Issue Price amounting to ₹ [●] to Eligible Employees.

- The sole/first Bidder shall be an Eligible Employee.

- Bid shall be made only in the prescribed Bid-cum-Application Form (i.e. Pink colour Form).

- Eligible Employees should provide the details of the depository accounts including DP ID, Client ID and PAN in the Bid-cum-Application Form.

- Only those Bids, which are received at or above the Issue Price, would be considered for allocation under the Employee Reservation Portion.

- Eligible Employees who Bid for Equity Shares in the Employee Reservation Portion may Bid at Cut-Off Price.

- The value of Allotment to any Eligible Employee shall not exceed ₹ 200,000.

- The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Payment Amount does not exceed ₹ 200,000.

- An Eligible Employee having Bid under the Employee Reservation Portion can also Bid under the Net Issue portion and such Bids shall not be treated as multiple Bids.

- If the aggregate demand in this category is less than or equal to 180,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

- If the aggregate demand in this category is greater than 180,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of Allotment, please see, "*Basis of Allotment*" on page 246.

- In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion shall be added to the Net Issue. In the event of under-subscription in the Net Issue (except the QIB Portion), spill-over to the extent of under-subscription shall be permitted from the Employee Reservation Portion to the Net Issue.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund, provident funds with minimum corpus of ₹ 250 million and pension funds with a minimum corpus of ₹ 250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable, must be lodged with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason.

In case of a Bid by way of ASBA pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Bid-cum-Application Form.

In addition to the above, certain additional documents are required to be submitted by the following entities:

(i) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid-cum-Application Form.

(ii) With respect to Bids by insurance companies registered with the IRDA, in addition to the above, a certified copy of the certificate of registration issued by the IRDA must be lodged with the Bid-cum-Application Form.

(iii) With respect to Bids made by provident funds with minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged with the Bid-cum-Application Form.

Maximum and Minimum Bid Size

(a) **For Retail Individual Bidders:** The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter, so as to ensure that the Payment Amount payable by the Bidder does not exceed ₹ 200,000. Bidders may note that the Bid Amount net of the Retail Discount *i.e.* the Payment Amount will be used to determine whether the Bid exceeds ₹ 200,000 or not. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Payment Amount after such revision does not exceed ₹ 200,000. In case the Payment Amount is over ₹ 200,000 due to revision of the Bid or revision of the Price Band or on exercise of Bidding at Cut-off Price, the Bid would be considered for allocation under the Non-Institutional Portion only if the Bidding was done through ASBA. The Retail Individual Bidder can revise their Bids during the Bidding/Issue Period and withdraw their Bids until finalization of the Basis of Allotment. The Bidding at Cut-off Price is an option given only to the Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion, indicating their agreement to Bid. The Issue Price will be determined at the end of the Book Building Process.

(b) **For Non-Institutional Bidders and QIBs:** The Bid must be for a minimum of such number of Equity Shares in multiples of [•] such that the Payment Amount exceeds ₹ 200,000. A Bid cannot be submitted for more than the Issue size. However, the Bid by a QIB should not exceed the investment limits prescribed for them by applicable laws. **A QIB and a Non-Institutional Bidder cannot withdraw nor lower the size of their Bids at any stage and is required to block the entire Payment Amount with a SCSB upon submission of the Bid. QIBs (other than Anchor Investors) and Non-Institutional Bidders are mandatorily required to submit their Bid through the ASBA Process.** The identity of QIBs Bidding in the Issue under the QIB Portion shall not be made public during the Bidding/Issue Period.

In case of downward revision in Price Band, the Non-Institutional Bidders, who are individuals, have to ensure that the revised Payment Amount is greater than ₹ 200,000 for being considered for allocation in the Non-Institutional Portion. In case the Payment Amount reduces to ₹ 200,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. **Non-Institutional Bidders and QIBs are not allowed to Bid at Cut-Off Price.**

(c) **For Eligible Employees:** The Bid must be for a minimum of [•] Equity Shares and in multiples thereof, so as to ensure that the Payment Amount by the Eligible Employees does not exceed ₹ 200,000. Bidders in the Employee Reservation Portion may Bid at Cut-Off Price. **Bidders may note that the Bid Amount net of the Employee Discount *i.e.* the Payment Amount will be used to determine whether the Bid exceeds ₹ 200,000 or not.** Eligible Employees Bidding at Cut-Off price have to mention the Payment Amount at the Cap Price. The Issue Price will be determined at the end of the Book Building Process.

(d) **For Bidders in the Anchor Investor Portion:** The Bid by an Anchor Investor must be for a minimum of such number of Equity Shares such that the Bid Amount is equal to or more than ₹ 100 million. Bids by Anchor Investors under the Anchor Investor Portion and the Net QIB Portion shall not be considered as multiple Bids. Under the Anchor Investor Portion, a Bid cannot be submitted for more than 30% of the QIB Portion. **Anchor Investors cannot withdraw nor lower the size of their Bids at any stage. Anchor Investor shall pay the entire Bid Amount at the time of submission of the Bid. If the Issue Price is greater than the Anchor Investors Issue Price, the additional amount being the difference between the Issue Price and price at**

which Equity Shares were allocated to Anchor Investors, shall be paid by the Anchor Investor by the Anchor Investor Pay-in-Date. If the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.

The maximum and minimum Bid size applicable to a QIB, Retail Individual Bidder or a Non-Institutional Bidder shall be applicable to an ASBA Bidder in accordance with the category that such ASBA Bidder falls under.

Bidders are advised to make independent enquiries and ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus.

Information for Bidders:

1. Our Company shall file this Red Herring Prospectus with the RoC at least three Working Days before the Bid/Issue Opening Date.

2. Subject to Section 66 of the Companies Act, our Company shall, after registering the Red Herring Prospectus with the RoC, make a pre-Issue advertisement, in the form prescribed under the SEBI ICDR Regulations, in an English newspaper, a Hindi national daily newspaper and a regional newspaper in Tamil, each with wide circulation. In the pre-Issue advertisement, our Company and the BRLMs shall declare the Bid/Issue Opening Date and the Bid/Issue Closing Date. This advertisement, subject to the provisions of Section 66 of the Companies Act, shall be in the format prescribed in Part A of Schedule XIII of the SEBI ICDR Regulations.

3. Our Company shall announce the Price Band at least five Working Days before the Bid/Issue Opening Date in an English newspaper, a Hindi national daily newspaper and a regional newspaper in Tamil, each with wide circulation. This announcement shall contain relevant financial ratios computed for both upper and lower end of the Price Band and shall be disclosed on the websites of the Stock Exchanges and shall also be pre-filled in the Bid-cum-Application Forms available on the websites of the Stock Exchanges.

4. The Bidding/Issue Period shall be for a minimum of three Working Days. In case the Price Band is revised, the Bidding/Issue Period shall be extended, by an additional three Working Days, subject to the total Bidding/Issue Period not exceeding 10 Working Days. The revised Price Band and Bidding/Issue Period will be widely disseminated by notification to the SCSBs and Stock Exchanges, and by publishing in an English and a Hindi national daily newspaper and a regional newspaper in Tamil, each with wide circulation and also by indicating the change at the terminals of the members of the Syndicate.

5. Our Company shall dispatch the Red Herring Prospectus and other Issue material including Bid-cum-Application Forms, to the Designated Stock Exchange, members of the Syndicate, Bankers to the Issue, investors' associations and SCSBs in advance.

6. Copies of the Bid-cum-Application Form will be available for all categories of Bidders, with the Syndicate/ Sub Syndicate, SCSBs and at our Registered Office. Copies of Bid-cum-Application Forms will be available for downloading and printing, from the websites of the Stock Exchanges, broker terminals at least one day prior to the Issue Opening Date. A unique application number will be generated for every Bid-cum-Application Form downloaded and printed from the websites of the Stock Exchanges. Bid-cum-Application Forms for Eligible Employees will only be available at our Registered Office. For ASBA Bidders, Bid-cum-Application Forms in physical form will be available with the Designated Branches, with the Syndicate/ Sub Syndicate; and Bid-cum-Application Forms will be available on the websites of the SCSBs and the Stock Exchanges at least one day prior to the Issue Opening Date.

7. Eligible Bidders who are interested in subscribing for the Equity Shares should approach any of the BRLMs or Syndicate / sub-Syndicate Members, their authorised agent(s) or the Registered Brokers to upload their Bids. For details regarding mode of Bidding and manner of submission of the Bid-cum-Application Form, please see, "*Issue Procedure- Bid-cum-Application Form*" on page 208.

8. The Bids should be submitted on the prescribed Bid-cum-Application Form only. Physical Bid-cum-

Application Forms should bear the stamp of the Syndicate/ Sub Syndicate, or as may be stamped by SCSBs or Registered Brokers, or otherwise they will be rejected.

9. The SCSBs and Syndicate, at Syndicate ASBA Centres and at the terminals of the Registered Brokers at Registered Broker Centres, will make such copies of Bid-cum-Application Forms available to investors applying under the ASBA process. Additionally, our Company shall ensure that the SCSBs are provided with soft copies of the abridged prospectus and the Bid-cum-Application Forms. The SCSBs shall make such documents available on their websites. The BRLMs shall ensure that certain information, including a soft copy of the abridged prospectus, is provided to the Stock Exchanges at least two days prior to the Bid/Issue Opening Date to enable the Stock Exchanges to include such information in the Bid-cum-Application Forms before it is made available on their websites.

10. Except for Bids submitted on behalf of the Central Government or the State Government or officials appointed by a court and Bidders resident in the state of Sikkim who may be exempt from specifying their PAN for transacting in the securities market, all Bidders should mention their Permanent Account Number (PAN) allotted under the IT Act. In case of Bids submitted on behalf of the Central Government or the State Government or officials appointed by a court, such Bidders shall provide sufficient documentary evidence in support of the fact that such Bids have been submitted on behalf of the Central Government or the State Government or officials appointed by a court. Residents of Sikkim shall provide sufficient documentary evidence in support of their address as provided in the SEBI MRD circular MRD/DOP/Dep/cir-29/2004 dated August 24, 2004. With effect from August 16, 2010, the beneficiary accounts of Bidders for whom PAN details have not been verified have been labelled "suspended for credit" by the Depositories, and no credit of Equity Shares pursuant to the Issue will be made in the accounts of such Bidders.

11. Please note that, upon submission of the Bid, Non-Institutional Bidders and QIBs are not permitted to withdraw or lower the size of their Bids (both in terms of number of Equity Shares Bid for and Payment Amount) at any stage.

12. In case of Bids where no corresponding record is available with the Depositories, matching with DP ID, Client ID and PAN, then such Bids are liable to be rejected.

13. Only Bids that are uploaded on the online system of the Stock Exchanges shall be considered for allocation/Allotment. The Syndicate/ Sub Syndicate, Registered Brokers and the SCSBs shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Bid data in the electronic Bidding systems of the Stock Exchanges. In order that the data so captured is accurate the Syndicate/ Sub Syndicate, Registered Brokers and the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

14. The Syndicate/ Sub Syndicate, Registered Broker or the SCSB, as the case may be, will, after the Bid has been uploaded, acknowledge the uploading of the Bid-cum-Application Forms or Revision Forms by stamping the date and time and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid-cum-Application Form for the records of the Bidder.

15. Pursuant to SEBI Circular No. CIR/CFD/14/2012 dated October 04, 2012 all investors can submit their Bid-cum-Application Form through the Registered Brokers at the Registered Broker Centres (i.e. 400 broker centres to be covered by January 1, 2013 and, 1,000 broker centres to be covered by March 1, 2013). The details of location of the Registered Broker Centres including name of the Registered Brokers, contact details such as name of the contact person, postal address, telephone number, e-mail address and other related details, where the Bid-cum-Application Forms can be submitted, will be disclosed by the Stock Exchanges on their websites.

16. Bid-cum-Application Forms can be downloaded from the website of the Stock Exchanges or the broker terminals, so that any investor or the Registered Brokers may download and print the Bid-cum-Application Forms directly. Eligible investors may submit the application indicating the mode of payment to any of the Registered Broker at the Registered Broker Centres. All such accepted Bid-cum-Application Forms shall be stamped and thereby acknowledged by the Registered Broker at the time of receipt and will be uploaded on the

Stock Exchange platform.

17. Registered Brokers shall be responsible for uploading the Bid on the Stock Exchange platform, banking the cheque or submitting the Bid-cum-Application Form by an ASBA Bidder to SCSB, and are liable for any failure in this regard.

18. In case of Bid-cum-Application Form by non ASBA Bidders, Registered Brokers shall deposit the cheque, prepare electronic schedule and send it to Escrow Collection Banks. All Escrow Collection Banks, which have branches in a Registered Broker Centre, shall ensure that at least one of its branches in the Registered Broker Centre accepts cheques. Registered Brokers shall deposit the cheque in any of the bank branch of the collecting bank in the Registered Broker Centre. Registered Brokers shall also update the electronic schedule (containing application details including the application amount) as downloaded from Stock Exchange platform and send it to local branch of the collecting bank. Registered Brokers shall retain all physical Bid-cum-Application Forms and send it to the Registrar to Issue after six months.

19. In case of Bid-cum-Application Forms submitted by ASBA Bidders, Registered Brokers shall forward a schedule (containing application number and amount) along with the Bid-cum-Application Forms to the branch where the ASBA Account is maintained of the relevant SCSB for blocking of fund.

20. QIBs (excluding Anchor Investors) and Non-Institutional Bidders can participate in the Issue only through the ASBA process. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion have the option to bid through the ASBA process or the non ASBA process. ASBA Bidders are required to submit their Bids to the Syndicate/ Sub Syndicate, Registered Broker or to the SCSBs. Bidders other than ASBA Bidders are required to submit their Bids to the Syndicate/ Sub Syndicate or Registered Broker.

21. Bid-cum-Application Forms submitted by ASBA Bidders to the Syndicate / Sub Syndicate or to the Registered Broker at the Syndicate ASBA Centres, will not be accepted if the SCSB where the ASBA Account, as specified in the Bid-cum-Application Form is maintained, has not named or does not have at least one branch at that location for the Syndicate, Sub Syndicate or the Registered Brokers to deposit Bid-cum-Application Forms submitted by ASBA Bidders (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries).

22. All Registered Brokers of NSE and BSE (list available at http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm and http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3) which are part of the nationwide broker network of the Stock Exchanges, are enabled to accept application forms. The Registered Broker shall be responsible for uploading the bid on the Stock Exchange platform, banking the cheque / submitting the ASBA form to the SCSBs, etc. and liable for any failure in this regard.

Bidders are advised not to submit the Bid-cum-Application Form to Escrow Collection Banks and the same will be rejected in such cases and the Bidders will not be entitled to any compensation whatsoever.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Additional information specific to ASBA Bidders

1. The SCSBs and Syndicate, at Syndicate ASBA Centres and at the terminals of the Registered Brokers, will make such copies of Bid-cum-Application Forms available to investors applying under the ASBA process. Additionally, our Company shall ensure that the SCSBs are provided with soft copies of the abridged prospectus and the Bid-cum-Application Form. The SCSBs shall make such documents available on their websites. The BRLMs shall ensure that certain information, including a soft copy of the abridged prospectus, is

provided to the Stock Exchanges at least two days prior to the Bid/Issue Opening Date to enable the Stock Exchanges to include such information in the Bid-cum-Application Form before it is made available on their websites.

2. Bid-cum-Application Form in physical form will be available with the Designated Branches, with the members of the Syndicate at Syndicate ASBA Centres and at the terminals of the Registered Brokers; and Bid-cum-Application Forms will be available on the websites of the SCSBs and the Stock Exchanges at least one day prior to the Bid/Issue Opening Date. Further, the SCSBs will ensure that the abridged Red Herring Prospectus is made available on their websites. The Bid-cum-Application Forms will also be available at the website of the stock exchanges and at the terminals of the Registered Brokers which can be downloaded and printed directly by the Bidders.

3. ASBA Bidders shall correctly mention the bank account number in the Bid-cum-Application Form and ensure that funds equal to the Payment Amount are available in the bank account maintained with the SCSB. In case the amount available in the bank account specified in the Bid-cum-Application Form is insufficient for blocking the amount equivalent to the Payment Amount, the SCSB shall reject the Bid. In the event a Bid under the Syndicate ASBA process is submitted to a member of the Syndicate or at the terminals of the Registered Brokers and upon sending a request to the relevant SCSB, such SCSB is not able to block the Payment Amount due to insufficiency of funds, our Company has the right to reject such Bids.

4. SCSBs may provide the electronic mode of Bidding either through an internet enabled Bidding and banking facility or such other secured, electronically enabled mechanism for Bidding and blocking funds in the ASBA Account. Eligible ASBA Bidders may also approach the Designated Branches to register their Bids through the ASBA process.

5. The SCSBs shall accept Bids only during the Bidding/Issue Period and only from the ASBA Bidders. The SCSB shall not accept any Bid-cum-Application Form after the closing time of acceptance of Bids on the Bid/Issue Closing Date.

6. ASBA Bidders should approach the Designated Branches to register their Bids, except for the ASBA Bidders Bidding through Syndicate ASBA process or the Registered Brokers, who should approach the members of the Syndicate in case of Bid by way of Syndicate ASBA process or the Registered Brokers to upload their Bids who shall in turn submit the same to the SCSBs after uploading the Bids and other relevant details of Bid-cum-Application Forms in the bidding platform provided by the Stock Exchanges.

7. The Bid-cum-Application Forms shall bear the stamp of the Designated Branch, the members of the Syndicate (in case of Bids through Syndicate ASBA) or the Registered Brokers, if not, the same shall be rejected.

Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, our Company shall, after registering this Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in one English language national daily newspaper, one Hindi language national daily newspaper and a regional newspaper in Tamil, each with wide circulation. In the pre-Issue advertisement, we shall state the Bid/Issue Opening Date, the Bid/Issue Closing Date and the QIB Bid/Issue Closing Date.

Method and Process of Bidding

1. The Price Band for the Issue, Bid lot and the quantum of the Employee Discount and Retail Discount will be decided by our Company, in consultation with the BRLMs, and advertised in an English, Hindi national daily newspaper and a regional newspaper in Tamil, each with wide circulation at least five Working Days prior to the Bid/Issue Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price. Such information shall also be disclosed to the Stock Exchanges for dissemination through, and shall be pre-filled in the Bid-cum-Application Forms available on, the Stock Exchanges' websites and Registered Broker terminals. The members of the Syndicate at the Syndicate ASBA centres, the SCSBs and the Registered Brokers shall accept Bids from the Bidders during the Bidding/Issue Period.

2. The Bidding/Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bidding/Issue Period maybe extended, if required, by an additional three Working Days, subject to the total Bidding/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be published in one English language national daily newspaper, one Hindi language national daily newspaper and a regional newspaper in Tamil each with wide circulation and also by indicating the change at the terminals of the members of the Syndicate.

3. During the Bidding/Issue Period, Bidders (other than ASBA Bidders) who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or their authorised agents, in case of Bid by way of Syndicate ASBA or to the Registered Brokers to upload their Bid. Bids by QIBs and Non-Institutional Bidders shall compulsorily be made by way of ASBA. The members of the Syndicate accepting Bids have the right to vet the Bids during the Bidding/Issue Period in accordance with the terms of this Red Herring Prospectus. ASBA Bidders Bidding through Syndicate ASBA should submit their Bids to the members of the Syndicate at the Syndicate ASBA Centres. ASBA Bidders Bidding through the SCSBs are required to submit their Bids to the Designated Branches of such SCSBs. ASBA Bidders bidding through the Registered Brokers are required to submit their Bids to any Registered Brokers having its office at any of the Broker Centres.

4. Each Bid-cum-Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph entitled "*Bids at Different Price Levels*" below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid-cum-Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Payment Amount, will become automatically invalid.

5. The Bidder cannot Bid on another Bid-cum-Application Form after Bids on one Bid-cum-Application Form have been submitted to the members of the Syndicate in case of Bid by way of Syndicate ASBA, SCSBs or the Registered Brokers, as the case may be. Submission of a second Bid-cum-Application Form to the same or another member of the Syndicate or an SCSB or to the Registered Brokers will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic Bidding system, or at any point of time prior to the approval of the Basis of Allotment. However, a Bidder can revise its Bid through the Revision Form, the procedure for which is detailed under the paragraph entitled "*Build-up of the Book and Revision of Bids*". Provided that the QIB and Non-Institutional Bidder cannot lower the size of their Bids at any stage. Also, the Bids submitted by a QIB in the Anchor Investor Portion and in the Net QIB Portion will not be considered as multiple Bids. Further, Eligible Employees Bidding under the Employee Reservation Portion may also Bid in the Net Issue and such Bids will not be treated as multiple Bids.

6. Except in relation to Bids received from the Anchor Investors, the members of the Syndicate/the SCSBs, as the case may be, will enter each Bid option into the electronic Bidding system as a separate Bid and generate a Transaction Registration Slip ("**TRS**") for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid-cum-Application Form. All accepted applications made at the Broker Centres shall be stamped and thereby acknowledged by the Registered Brokers at the time of receipt, which shall form the basis of any complaint.

7. The BRLMs shall accept Bids from the Anchor Investors during the Anchor Investor Bidding Date *i.e.* one Working Day prior to the Bid/Issue Opening Date. Bids by Anchor Investors under the Anchor Investor Portion and the Net QIB Portion shall not be considered as multiple Bids.

8. Along with the Bid-cum-Application Form, all Bidders (other than ASBA Bidders) will make payment in the manner described in "- *Escrow Mechanism - Terms of payment and payment into the Escrow Accounts*" in the section titled "*Issue Procedure*" beginning on page 207.

9. With regard to Syndicate ASBA, upon receipt of the Bid-cum-Application Form by a member of the Syndicate, the concerned member of the Syndicate shall issue an acknowledgement by giving the counter foil of the Bid-cum-Application Form to the ASBA Bidder as proof of having accepted the Bid. Thereafter, the member of the

Syndicate shall upload the details of the Bid in the electronic Bidding system of the Stock Exchanges and forward the Bid-cum-Application Form to the concerned SCSB. The SCSB shall carry out further action for such Bid-cum-Application Forms such as signature verification and blocking of funds. The SCSBs shall block the application amount only against/in a funded deposit account and ensure that clear demarcated funds are available for ASBA applications. The SCSB shall block an amount equivalent to the Payment Amount mentioned in the Bid-cum-Application Form and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.

10. With regard to ASBA Bidders Bidding through the SCSBs, upon receipt of a Bid-cum-Application Form, submitted whether in physical or electronic mode, the respective Designated Branch shall verify if sufficient funds equal to the Payment Amount are available in the ASBA Account, as mentioned in the Bid-cum-Application Form, prior to uploading such Bids with the Stock Exchanges. If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such Bids and shall not upload such Bids with the Stock Exchanges. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Payment Amount mentioned in the Bid-cum-Application Form and will enter each Bid option into the electronic Bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.

11. With regard to ASBA Bidders Bidding through the Registered Brokers, post acknowledgment of the accepted applications made at the Broker Centres which shall be stamped and thereby acknowledged by the Registered Brokers at the time of receipt, the Registered Brokers shall forward a schedule (containing application number and amount) along with the Bid-cum-Application Form to the branch named for ASBA of the respective SCSBs for blocking of funds.

12. The local branch of the SCSB shall update the schedule based on funds blocked in the account and send it to the controlling branch who in turn shall consolidate the electronic schedule of all branches, reconcile the amount blocked with the bank balance and send the consolidated schedule to the Registrar along with the final certificate.

13. The Payment Amount shall remain blocked in the aforesaid ASBA Account until approval of the Basis of Allotment and consequent transfer of the Payment Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Bid-cum-Application Form, as the case may be, in which case such amount shall not be transferred to the Public Issue Account. Once the Basis of Allotment is approved, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount payable by the successful ASBA Bidders for Equity Shares to be allotted to such ASBA Bidder to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue and such amount shall not be transferred to the Public Issue Account.

14. Bid-cum-Application Forms submitted by ASBA Bidders to the Syndicate / Sub Syndicate at the Syndicate ASBA Centres, will not be accepted if the SCSB where the ASBA Account, as specified in the Bid-cum-Application Form is maintained, has not named or does not have at least one branch at that location for the Syndicate, Sub Syndicate to deposit Bid-cum-Application Forms submitted by ASBA Bidders (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries).

15. All Registered Brokers of NSE and BSE (list available at http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm and http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3) which are part of the nationwide broker network of the Stock Exchanges, are enabled to accept application forms. The Registered Broker shall be responsible for uploading the bid on the Stock Exchange platform, banking the cheque / submitting the ASBA form to the SCSBs, etc. and liable for any failure in this regard.

Bids at Different Price Levels

1. In accordance with the SEBI ICDR Regulations, our Company, in consultation with the BRLMs and without

prior intimation to or approval from the Bidders, reserve the right to revise the Price Band during the Bidding/Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The revised Price Band and the Bidding/Issue Period will be widely disseminated by notification to the Stock Exchanges and the SCSBs and also by indicating the change at the terminals of the members of the Syndicate.

2. Our Company, in consultation with the BRLMs, will finalise the Issue Price, without the prior approval of or intimation to the Bidders.

3. The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders and Eligible Employees may Bid at the Cut-off Price. However, Bidding at Cut-off Price is not permitted for QIBs and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected. Our Company in consultation with the BRLMs, shall decide the minimum number of Equity Shares for each Bid to ensure that the application value is within the range of ₹ 10,000 to ₹ 15,000.

4. Our Company in consultation with the BRLMs will finalise the Anchor Investor Issue Price in accordance with this section, without the prior approval of, or intimation to the Anchor Investors.

5. Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion who Bid at the Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion, Bidding at Cut-off Price shall deposit the Payment Amount based on the Cap Price in the Escrow Account(s). In case of ASBA Bidders Bidding at the Cut-off Price, the ASBA Bidders will instruct the SCSBs to block an amount based on the Cap Price. In the event the Payment Amount is higher than the subscription amount payable by the Retail Individual Bidders who Bid at the Cut-off Price will receive refunds of the excess amounts in the manner provided in the Red Herring Prospectus.

Escrow mechanism, terms of payment and payment into the Escrow Accounts

For details of the escrow mechanism and payment instructions, please see the section titled "*Issue Procedure-Payment Instructions*" on page 237.

Electronic Registration of Bids

1. The members of the Syndicate and SCSBs will register the Bids using the on-line facilities of the Stock Exchanges. There will be at least one on-line connection in each city where a stock exchange is located in India and where Bids are being accepted. The Registered Brokers shall upload the Bids and update the electronic schedule (containing application details including the application amount) as downloaded from platform of the Stock Exchange and send it to local branch of the collecting bank. The BRLMs, our Company and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the Syndicate or the SCSBs, (ii) the Bids uploaded by the Syndicate or the SCSBs, (iii) the Bids accepted but not uploaded by the Syndicate and the SCSBs, (iv) with respect to ASBA Bids accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts or (v) with respect to Bids accepted and uploaded by the Registered Brokers at the platform of the Stock Exchanges. However the member of the Syndicate, the SCSBs and/or the Registered Brokers shall be responsible for any errors in the Bid details uploaded by them. It shall be presumed that for Bids uploaded by the SCSBs and the Syndicate for the Syndicate ASBA Bidders, the Payment Amount has been blocked in the relevant ASBA Account. Details of Bids in the Anchor Investor Portion will not be registered using the online facilities of the Stock Exchanges.

2. In case of apparent data entry error by either the members of the Syndicate accepting Bids of the Bidders bidding by way of Syndicate ASBA or the Registered Brokers or the collecting bank in entering the Bid-cum-Application Form number in their respective schedules other things remaining unchanged, the Bid-cum-Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting

submitted to Stock Exchange(s).

3. The Stock Exchanges will offer an electronic facility for registering Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their respective sub Syndicate members, the SCSBs and at the terminals of the Registered Brokers during the Bidding/Issue Period. The members of the Syndicate and the Designated Branches can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Book Building Process on a regular basis. On the Bid/Issue Closing Date, the Syndicate and the Designated Branches shall upload the Bids till such time as may be permitted by the Stock Exchanges. This information will be available with the members of the Syndicate on a regular basis. Bidders are cautioned that a high inflow of high volumes on the last day of the Bidding/Issue Period may lead to some Bids received on the last day not being uploaded and such Bids will not be considered for allocation.

4. The Syndicate, the SCSBs and the Registered Brokers will undertake modification of selected fields in the Bid details already uploaded within one Working Day from the Bid/Issue Closing Date to amend some of the data fields (currently DP ID, Client ID) entered by them in the electronic bidding system. Bidders are cautioned that a high inflow of Bids typically experienced on the last Working Day of the Bidding may lead to some Bids received on the last Working Day not being uploaded due to lack of sufficient uploading time, and such Bids that could not uploaded will not be considered for allocation. Bids will only be accepted on Working Days.

5. Based on the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges, a graphical representation of consolidated demand and price, as available on the websites of the Stock Exchanges, would be made available at the Bidding centres during the Bidding/Issue Period.

6. At the time of registering each Bid, other than ASBA Bids, the members of the Syndicate in case of Bid by way of Syndicate ASBA and the Registered Broker shall enter the following details of the Bidders in the on-line system:

   - Name of the Bidder

     Bidders should ensure that the name given in the Bid-cum-Application Form is exactly the same as the name in which the Depositary Account is held. In case the Bid-cum-Application Form is submitted in joint names, Bidders should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid-cum-Application Form

   - Bid-cum-Application Form number

   - PAN (of the first Bidder, in case of more than one Bidder)

   - Investor Category and sub-category

   - DP ID

   - Client ID

   - Number of Equity Shares Bid for

   - Price per Equity Share (price option)

   - Cheque amount

   - Cheque number

With respect to ASBA Bids made by the ASBA Bidder, at the time of registering each Bid, the member of the Syndicate in case of Bids by way of Syndicate ASBA, the Designated Branch or the Registered Brokers, as the case may be, shall enter the following information into the on-line system:

- Name of the Bidder

  Bidders should ensure that the name given in the Bid-cum-Application Form is exactly the same as the name in which the Depositary Account is held. In case the Bid-cum-Application Form is submitted in joint names, Bidders should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid-cum-Application Form.

- Bid-cum-Application Form number
- PAN (of the first Bidder, in case of more than one Bidder)
- Investor category and sub-category
- DP ID
- Client ID
- Number of Equity Shares Bid for
- Price per Equity Share (price option)
- Bank account number.

7. A system generated TRS will be given to the Bidder as a proof of the registration of each of the Bidding options when the Bid is registered. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate or the Designated Branches. The registration of the Bid by the members of the Syndicate in case of Bid by way of Syndicate ASBA, the Designated Branches or the Registered Brokers does not guarantee that the Equity Shares shall be allocated/Allotted by our Company.

8. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

9. Bids made at the Broker Centres shall be stamped and thereby acknowledged by the Registered Brokers at the time of receipt, which shall form the basis of any complaint for the Bidder.

10. In case of QIBs, other than Anchor Investors, Bidding through the Syndicate ASBA, the BRLMs may reject Bids for reasons to be recorded in writing provided that such rejection shall be made at the time of acceptance of the Bid and the reasons therefor shall be disclosed to the Bidders. In case of Non-Institutional Bidders, Retail Individual Bidders and Eligible Employees our Company has a right to reject Bids based on technical grounds. The members of the Syndicate may also reject Bids if all the information required is not provided and the Bid-cum-Application Form is incomplete in any respect. The SCSBs shall have no right to reject Bids except on technical grounds.

11. The permission given by the Stock Exchanges to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

12. Only Bids that are uploaded on the online system of the Stock Exchanges shall be considered for allocation/Allotment. The members of the Syndicate in case of Bid by way of Syndicate ASBA and the Registered Brokers shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Bid data in the electronic Bidding systems of the Stock Exchanges. In order that the data so captured is accurate the members of the Syndicate in case of Bid by way of Syndicate ASBA and the Registered Brokers will be given up to one Working Day after the Bid/Issue Closing Date to modify selected fields in the Bid data so uploaded in the online system during the Bidding/Issue Period after which the data will be sent to the Registrar for reconciliation with the data made available by the escrow bankers to the Issue.

13. Details of Bids in the Anchor Investor Portion will not be registered on the on-line facilities of electronic facilities of the Stock Exchanges.

14. The members of the Syndicate located at the Syndicate ASBA Centres and the Registered Brokers shall before accepting the Bid-cum-Application Form satisfy themselves that the SCSBs whose name has been filled in the Bid-cum-Application Forms also have the name of the branch of the SCSBs where such Bid-cum-Application Forms are to submitted.

Build-up of the book and revision of Bids

1. Bids received from various Bidders (except Anchor Investors) through the members of the Syndicate, the SCSBs and the Registered Brokers shall be electronically uploaded to the Stock Exchanges' mainframe on a regular basis.

2. The book gets built up at various price levels. This information will be available with the members of the Syndicate at the end of each day of the Bidding/Issue Period.

3. During the Bidding/Issue Period, Retail Individual Bidder who has registered his or her Bid at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form.

4. Revisions can be made in both the desired number of Equity Shares and the Payment Amount by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid-cum-Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid-cum-Application Form and such Bidder is changing only one of the options in the Revision Form, the Bidder must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate in case of Bids by way of Syndicate ASBA, the Designated Branches or the Registered Brokers will not accept incomplete or inaccurate Revision Forms. However, QIBs and Non-Institutional Bidders cannot lower the size of their Bids at any stage.

5. The Bidder can make this revision any number of times during the Bidding/Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate in case of Bid by way of Syndicate ASBA or the same SCSB or the Registered Brokers through whom such Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

6. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount *i.e.*, original Payment Amount plus additional payment does not exceed ₹ 200,000 if the Bidder wants to continue to Bid at Cut-off Price), with the members of the Syndicate in case of Bid by way of Syndicate ASBA or the Registered Brokers. In case the total amount (*i.e.*, original Payment Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

7. In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion who have Bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding would be refunded from the Refund Account or unblocked, in case of ASBA Bidders.

8. Our Company, shall, in consultation with the BRLMs, decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000.

9. Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. With respect to the ASBA Bids, if revision of the Bids results in an incremental amount, the SCSBs shall block the additional Payment Amount. In case of Bids, other than ASBA Bids, the members of the Syndicate in case of Bid by way of Syndicate ASBA or the Registered Brokers shall collect the payment in the form of cheque or demand draft if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions. In such cases, the members of the Syndicate in case of Bid by way of Syndicate ASBA or the Registered Brokers will revise the earlier Bid details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the Basis of Allotment. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of the Red Herring Prospectus.

10. When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and may request for a revised TRS from the members of the Syndicate or the SCSB as proof of his or her having revised the previous Bid. However, in accordance with SEBI Notification dated October 12, 2012, a QIB or Non-Institutional Bidder cannot withdraw nor lower the size of their Bids at any stage.

11. If an ASBA Bidder wants to withdraw its Bid during the Bidding/Issue Period, the ASBA Bidder shall submit the withdrawal request to the SCSB or to the members of the Syndicate, as the case may be, which shall perform the necessary actions, including deletion of details of the withdrawn Bid-cum-Application Form from the electronic bidding system of the Stock Exchanges and unblocking of funds in the relevant bank account. QIBs and Non-Institutional Bidders cannot withdraw Bids at any time of Bidding/Issue Period.

12. If an ASBA Bidder, excluding QIBs, wants to withdraw its Bid after the Bid/Issue Closing Date, such ASBA Bidder shall submit the withdrawal request to the Registrar to the Issue before finalization of basis of Allotment. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file. The instruction for unblocking of funds in the relevant bank account, in such withdrawals, shall be forwarded by the Registrar to the Issue to the SCSB once the basis of Allotment has been approved by the Designated Stock Exchange.

Price Discovery and Allocation

1. After the Bid/Issue Closing Date, the Registrar to the Issue shall aggregate the demand generated under the ASBA process with the Bids received under the non-ASBA process to determine the demand generated at different price levels. Thereafter, the BRLMs shall analyze the demand generated at various price levels and discuss pricing strategy with our Company.

2. Based on the demand generated at various price levels and the book built, our Company, in consultation with the BRLMs, shall finalise the Issue Price and the number of Equity Shares to be allotted to each category of Bidder.

3. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion shall be added to the Net Issue. In the event of under-subscription in the Retail Portion or the Non-Institutional Portion in the Net Issue, the unsubscribed portion would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company, in consultation with the Managers. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spillover from other categories or a combination of categories. In the event of under-subscription in the Net Issue, spill-over to the extent of

under-subscription shall be permitted from the Employee Reservation Portion to the Net Issue.

4. Only Bids that are uploaded on the online system of the Stock Exchanges shall be considered for allocation/Allotment. The members of the Syndicate in case of Bid by way of Syndicate ASBA, the SCSBs and the Registered Brokers shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Bid data in the electronic Bidding systems of the Stock Exchanges. In order that the data so captured is accurate the members of the Syndicate and the SCSBs will be given up to one Working Day after the Bid/Issue Closing Date to modify/verify certain selected fields uploaded in the online system during the Bidding/Issue Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

5. In case no corresponding record is available with the Depositories, which matches any of the three parameters, namely, DP ID, Client ID and PAN, then such Bids are liable to be rejected.

6. Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs and FIIs registered with SEBI applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

7. Allocation to Anchor Investors shall be at the discretion of our Company, in consultation with the BRLMs, subject to compliance with the SEBI ICDR Regulations.

Signing of the Underwriting Agreement and the RoC Filing

Our Company, the BRLMs and the Syndicate Members shall enter into an Underwriting Agreement on or immediately after finalisation of Issue Price. After signing the Underwriting Agreement, our Company will file the Prospectus with the RoC. The Prospectus would have details of the Issue Price, the Anchor Investor Issue Price, if applicable, Issue size and underwriting arrangements and would be complete in all material respects.

Advertisement regarding Issue Price and Prospectus

Our Company will issue an advertisement after the filing of the Prospectus with the RoC. This advertisement, among other things, shall indicate the Issue Price and Anchor Investor Issue Price, in the event Anchor Investors participate in the Issue. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such an advertisement.

Issuance of CAN

1. Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the members of the Syndicate in case of Bid by way of Syndicate ASBA, the controlling branches of the SCSBs and to the Registered Brokers a list of the successful Bidders who are to be Allotted Equity Shares in the Issue. For Anchor Investors, see "*Notice to Anchor Investors: Allotment Reconciliation and Intimation*" below.

2. The Registrar to the Issue will then despatch the CAN to Bidders who have been Allotted Equity Shares in the Issue.

3. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder for all the Equity Shares allotted to such Bidder.

Notice to Anchor Investors: Allotment Reconciliation and Intimation

A physical book will be prepared by the BRLMs on the basis of the Bid-cum-Application Forms received from Anchor Investors. Based on the physical book, our Company in consultation with the BRLMs will decide the price at which allocation is to be made to the Anchor Investors on a discretionary basis. Selected Anchor Investors may be sent an Anchor Investor Allocation Notice indicating the number of Equity Shares that may be allocated to them. This provisional Anchor Investor Allocation Notice and the final allocation is subject to the physical application being valid in all respects along with receipt of stipulated documents, the Issue Price being finalised at a price not higher than the price at which allocation was originally made to the Anchor Investors and Allotment by the Board of

Directors. In the event that the Issue Price is higher than the price at which allocation was originally made to the Anchor Investors, a revised Anchor Investor Allocation Notice will be sent to the Anchor Investors. The price of Equity Shares in such revised Anchor Investor Allocation Notice shall be different from that specified in the provisional Anchor Investor Allocation Notice. Anchor Investors should note that they shall be required to pay additional amounts, being the difference between the Issue Price and the price at which allocation was originally made to the Anchor Investors, by the Anchor Investor Pay-in Date. The revised Anchor Investor Allocation Notice, if issued, will supersede in entirety the provisional Anchor Investor Allocation Notice and the CAN issued will supersede in entirety the Anchor Investor Allocation Notice including any revisions thereof.

The Allotment is subject to the physical application being valid in all respect along with receipt of stipulated documents, the Issue Price being finalised and Allotment by the Board of Directors or any committee thereof.

Unblocking of ASBA Account

Once the basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue shall provide the following details to the Controlling Branches of each SCSB, along with instructions to unblock the relevant bank accounts and transfer the requisite money to the Public Issue Account designated for this purpose, within the timelines specified in the ASBA facility: (i) the number of Equity Shares to be Allotted against each valid Bid made by an ASBA Bidder, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each valid Bid made by an ASBA Bidder, (iii) the date by which funds referred to in (ii) above shall be transferred to the Public Issue Account, and (iv) details of rejected Bids made by ASBA Bidders, if any, along with reasons for rejection and details of withdrawn and/or unsuccessful Bids made by ASBA Bidders, if any, to enable SCSBs to unblock the respective bank accounts. On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and shall unblock the excess amount, if any, in the ASBA Account. However, the Payment Amount may be unblocked in the ASBA Account prior to receipt of notification from the Registrar to the Issue by the Controlling Branch of the SCSB in relation to the approval of the basis of Allotment in the Issue by the Designated Stock Exchange in the event of withdrawal or failure of the Issue or rejection of the Bid made by an ASBA Bidder, as the case may be.

Designated Date and Allotment

Our Company will ensure that:

(a) the Allotment and credit to the successful Bidder's depositary account will be completed within 12 Working Days of the Bid/Issue Closing Date.

(b) Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.

(c) Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them.

GENERAL INSTRUCTIONS

Do's:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable laws;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid-cum-Application Form in the prescribed form;

4. Ensure that the Bidder's depository account is valid and active;

5. Ensure that the details about the DP ID, Client ID and PAN are correct as Allotment will be in the dematerialised form only;

6. Ensure that the Bids are submitted at the Bidding centres only on Bid-cum-Application Forms bearing the stamp of a member of the Syndicate in case of Bid by way of Syndicate ASBA or the Registered Brokers;

7. Ensure that you have funds equal to the Payment Amount in your bank account before submitting the Bid-cum-Application Form to the Syndicate.

8. Indicate mode of payment while submitting Bid-cum Application Form to the Registered Brokers.

9. Ensure that you have Bid by way of ASBA (for QIBs and Non-Institutional Bidders);

10. Ensure that you request for and receive a TRS for all your Bid options;

11. Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS or acknowledgment;

12. Ensure you receive the copy of acknowledgment with respect to Bids accepted by the Registered Brokers at the platform of the Stock Exchanges;

13. Except for Bids (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) from the residents of the state of Sikkim, each of the Bidders should provide their PAN. Bid-cum-Application Forms in which the PAN is not provided will be rejected. In case of Bids submitted on behalf of the Central Government or the State Government or officials appointed by a court, such Bidders shall provide sufficient documentary evidence in support of the fact that such Bids have been submitted on behalf of the Central Government or the State Government or officials appointed by a court. Residents of Sikkim shall provide sufficient documentary evidence in support of their address as provided in the SEBI MRD circular MRD/DOP/Dep/cir-29/2004 dated August 24, 2004;

14. Ensure that the Demographic Details are updated, true and correct in all respects;

15. Ensure that the names given in the Bid-cum-Application Form is exactly the same as the names available in the depository database. In case the Bid-cum-Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid-cum-Application Form; and

16. Ensure that the DP ID, the Client ID and the PAN mentioned in the Bid-cum-Application Form and entered into the electronic Bidding system of the stock exchanges by the members of the Syndicate match with the DP ID, Client ID and PAN available in the Depository database.

17. Ensure that a branch of the Escrow Collection Banks / Designated Branch is available at the location of the Registered Broker Centre where the Bid-cum-Application Form is being submitted

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid/revise Payment Amount to less than the Floor Price or higher than the Cap Price;

3. Do not Bid on another Bid-cum-Application Form after you have submitted a Bid to the members of the Syndicate;

4. Do not pay the Payment Amount in cash, by money order or by postal order;

5. Do not send Bid-cum-Application Forms by post; instead submit the same to the members of the Syndicate

only;

6. Do not Bid *via* any mode other than ASBA (for QIBs and Non-Institutional Bidders);

7. Do not Bid at Cut-off Price (for QIBs and Non-Institutional Bidders);

8. Do not Bid for a Payment Amount exceeding ₹ 200,000 for Bids by Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion;

9. Do not fill up the Bid-cum-Application Form such that the Equity Shares Bid for exceeds the Net Issue size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

10. Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground;

11. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;

12. Do not submit Bids without payment of the full Payment Amount;

13. Do not submit Bids on plain paper or on incomplete or illegible Bid-cum-Application Forms, or on Bid-cum-Application Forms in a colour prescribed for another category of Bidder;

14. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872.

15. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable laws or your relevant constitutional documents or otherwise.

16. Do not submit a Bid that does not comply with the securities laws of your respective jurisdictions.

17. QIBs and Non-Institutional Bidder shall not lower the size of their Bids at any stage.

ADDITIONAL INSTRUCTIONS SPECIFIC TO ASBA BIDDERS

Do's:

1. Check if you are eligible to Bid under ASBA;

2. Ensure that you use the Bid-cum-Application Form specified for the purposes of ASBA;

3. Before submitting the physical Bid-cum-Application Form with the member of the Syndicate for Bidding through Syndicate ASBA or the Registered Brokers, ensure that the SCSB, whose name has been filled in the Bid-cum-Application Form, has named a branch in that centre;

4. Read all the instructions carefully and complete the Bid-cum-Application Form;

5. For ASBA Bidders Bidding through Syndicate ASBA, ensure that your Bid-cum-Application Form is submitted to the members of the Syndicate at the Syndicate ASBA Centre and not to the Escrow Collection Banks (assuming that such bank is not a SCSB or otherwise), to our Company or the Registrar to the Issue;

6. For ASBA Bidders Bidding through the SCSBs, ensure that your Bid-cum-Application Form is submitted at a Designated Branch of the SCSB where the ASBA Account is maintained, and not to the Escrow Collection Banks (assuming that such bank is not a SCSB or otherwise), to our Company or the Registrar to the Issue or the members of the Syndicate;

7. Ensure that the Bid-cum-Application Form is signed by the ASBA Account holder in case the ASBA Bidder is

not the account holder;

8. Ensure that you have mentioned the correct ASBA Account number in the Bid-cum-Application Form;

9. Ensure that you have funds equal to the Payment Amount in the ASBA Account before submitting the Bid-cum-Application Form at the respective Designated Branch or at the Syndicate ASBA Centre, as the case may be;

10. Ensure that you have correctly ticked, provided or checked the authorisation box in the Bid-cum-Application Form, or have otherwise provided an authorisation to the SCSB *via* the electronic mode, for the Designated Branch to block funds in the ASBA Account equivalent to the Payment Amount mentioned in the Bid-cum-Application Form;

11. Ensure that you receive an acknowledgement from the Designated Branch or the concerned member of the Syndicate, as the case may be, for the submission of the Bid-cum-Application Form;

12. Submit the Revision Form with the same Designated Branch or concerned member of the Syndicate, as the case may be, through whom the Bid-cum-Application Form was placed and obtain a revised acknowledgment;

13. Ensure that the name(s) given in the Bid-cum-Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid-cum-Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid-cum-Application Form.

Don'ts:

1. Do not Bid on another Bid-cum-Application Form after you have submitted a Bid to a member of the Syndicate in case of Bid by way of Syndicate ASBA or a Designated Branch or to a Registered Broker, as the case may be;

2. Payment of Payment Amount in any mode other than through blocking of Payment Amount in the ASBA Accounts shall not be accepted under the ASBA;

3. Do not submit the Bid-cum-Application Form with a member of the Syndicate at a location other than the Syndicate ASBA Centres.

4. Do not send your physical Bid-cum-Application Form by post. Instead submit the same with a Designated Branch or a members of the Syndicate in case of Bid by way of Syndicate ASBA or to a Registered Broker, as the case may be; and

5. Do not submit more than five Bid-cum-Application Forms per ASBA Account.

INSTRUCTIONS FOR COMPLETING THE BID-CUM-APPLICATION FORMS

1. Bids and revisions of Bids must be made only in the prescribed Bid-cum-Application Form or Revision Form, as applicable.

2. In case of Retail Individual Bidders (including Eligible NRIs) and Eligible Employees Bidding in the Employee Reservation Portion, Bids and revisions of Bids must be for a minimum of [●] Equity Shares and in multiples of [●] thereafter subject to a maximum Payment Amount of ₹ 200,000. In case the Payment Amount is more than ₹ 200,000 due to revision of the Bid or revision of the Price Band or on exercise of the option to Bid at the Cut-Off Price, the Bid will be considered for allocation in the Non-Institutional Portion subject to such Bid being received by way of ASBA. The option to Bid at the Cut-Off Price is available only to Retail Bidders and Eligible Employees Bidding in the Employee Reservation Portion indicating their agreement to Bid and purchase at the Issue Price as determined at the end of the Book Building Process.

3. In case of Non-Institutional Bidders and QIBs, for a minimum of such number of Equity Shares in multiples of [●] such that the Bid Amount exceeds ₹ 200,000.

4. Bid-cum-Application Forms or Revision Forms are to be completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Red Herring Prospectus and the Bid-cum-Application Form, as the case may be. Incomplete Bid-cum-Application Forms or Revision Forms are liable to be rejected. Bidders should note that the members of the Syndicate in case of Bid by way of Syndicate ASBA and/or the SCSBs and/or the Registered Brokers, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Bid-cum-Application Forms or Revision Forms.

5. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal. Bids must be in single name or in joint names (not more than three, and in the same order as their Depository Participant details).

6. Bidders must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of the Bidder's active DP ID, Client ID and PAN provided in the Bid-cum-Application Form, and as entered into the electronic Bidding system of the Stock Exchanges by the Syndicate, the SCSBs and the Registered Brokers as the case may be, the Registrar to the Issue will obtain from the Depository, the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment.

7. Information provided by the Bidders will be uploaded in the online system by the members of the Syndicate, the SCSBs and the Registered Brokers, as the case may be, and the electronic data will be used to make allocation/Allotment. The Bidders should ensure that the details are correct and legible.

8. Based on the category of the Bidder, the Bid must comply with the maximum and minimum Bid size, as described in "*Maximum and Minimum Bid Size*" on page 218.

9. For Anchor Investors, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds or is equal to ₹ 100 million and in multiples of [●] Equity Shares thereafter.

10. Bids through ASBA must be:

    (1) made only in the prescribed Bid-cum-Application Form or Revision Forms (if submitted in physical mode) or the electronic mode.

    (2) made in single name or in joint names (not more than three, and in the same order as their details appear with the Depository Participant).

11. If the ASBA Account holder is different from the ASBA Bidder, the Bid-cum-Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Bid-cum-Application Form.

12. For ASBA Bidders, SCSBs may provide the electronic mode of Bidding either through an internet enabled Bidding and banking facility or such other secured, electronically enabled mechanism for Bidding and blocking funds in the ASBA Account. For details regarding mode of Bidding and manner of submission of the Bid-cum-Application Form, please see, "*Issue Procedure - Bid-cum-Application Forms*" on page 208.

Bidder's PAN, Depository Account and Bank Account Details

Bidders should note that on the basis of the DP ID, Client ID and PAN provided by them in the Bid-cum-Application Form and entered into the Stock Exchange system by the Bidding Centre, the Registrar to the Issue will obtain from the Depository the Demographic Details of the Bidders. These Demographic Details

would be used for giving CAN to the Bidders, refunds (including through physical refund warrants, direct credit, ECS, NEFT and RTGS). Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch/credit of refunds to Bidders at the Bidders sole risk and neither the members of the Syndicate or the Registrar to the Issue or the Bankers to the Issue or the SCSBs nor our Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid-cum-Application Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, BENEFICIARY ACCOUNT NUMBER AND PERMANENT ACCOUNT NUMBER IN THE BID-CUM-APPLICATION FORM. INVESTORS MUST ENSURE THAT THE DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, BENEFICIARY ACCOUNT NUMBER AND PERNMANENT ACCOUNT NUMBER GIVEN IN THE BID-CUM-APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE DEPOSITORY DATABASE. IN CASE THE BID-CUM-APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID-CUM-APPLICATION FORM.

Bidders may note that in case the DP ID, BAN and PAN entered into the electronic Bidding system of the stock exchanges by the members of the Syndicate in case of Bid by way of Syndicate ASBA, the SCSBs and the Registered Brokers, as the case may be, do not match with the DP ID, BAN and PAN available in the Depository database, the Bid-cum-Application Form is liable to be rejected and our Company and the members of the Syndicate shall not be liable for losses, if any.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CAN and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid-cum-Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to the Issue.

By signing the Bid-cum-Application Form, the Bidder would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund orders/CAN will be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/CAN may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder (other than ASBA Bidders) in the Bid-cum-Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at such Bidders sole risk and neither our Company, Escrow Collection Banks, Refund Banks, Registrar to the Issue nor the members of the Syndicate shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Red Herring Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Bids are liable to be rejected.

Bids by Non Residents including Eligible NRIs, Eligible QFIs, FIIs registered with SEBI

Bids and revision to Bids must be made in the following manner:

1. On the Bid-cum-Application Form or Revision Form, as applicable blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

2. In a single name or joint names (not more than three and in the same order as their Depositary Participant details).

3. Bids on a repatriation basis shall be in the names of individuals, or in the name of FIIs, Eligible QFIs and multilateral and bilateral development financial institutions but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

Bids by Eligible NRIs for a Payment Amount of up to ₹ 200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Payment Amount of more than ₹ 200,000 would be considered under Non-Institutional Portion for the purposes of allocation.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and will be credited to their NRE accounts registered with the depositories and in case of QFIs, will be payable to a single non interest bearing rupee account opened with AD Category-I bank in India and the same shall be operated by the qualified depository participant of each QFI.

There is no reservation for Eligible NRIs, Eligible QFIs, or Eligible FIIs and all applicants will be treated on the same basis with other categories for the purpose of allocation.

PAYMENT INSTRUCTIONS

Payment mechanism for ASBA Bidders

For ASBA Bids submitted to the Syndicate/ Sub Syndicate at the Syndicate ASBA Centres or to the Registered Brokers at the Registered Broker Centres, the Syndicate/ Sub Syndicate or the Registered Broker, as the case may be, shall upload the ASBA Bid onto the electronic bidding system of the Stock Exchanges and deposit the Bid-cum-Application Form with the relevant branch of the SCSB at the Syndicate ASBA Centres or the Registered Broker Centres, authorized to accept such Bid-cum-Application Forms relating to ASBA Bids from the Syndicate or the Registered Broker (a list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries). The relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Payment Amount specified in the Bid cum Application Form.

For ASBA Bids submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Payment Amount specified in the Bid cum Application Form, before entering the ASBA Bid into the electronic bidding system. SCSBs may provide the electronic mode of bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account.

ASBA Bidders should ensure that sufficient funds are available in the ASBA Account before submitting the Bid-cum-Application Form to the Syndicate/ Sub Syndicate at the Syndicate ASBA Centres, the respective Designated Branch or the Registered Brokers at the Registered Broker Centres. An ASBA Bid where the corresponding ASBA Account does not have sufficient funds equal to the Payment Amount at the time of blocking the ASBA Account will be rejected.

In the event of withdrawal or rejection of the Bid-cum-Application Form or for unsuccessful Bid-cum-Application Forms, the Registrar to the Issue shall give instructions to the SCSB to unblock the application money in the relevant bank account within 12 Working Days of the Issue Closing Date. The Payment Amount shall remain blocked in the ASBA Account until transfer of the Payment Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Escrow Mechanism for Retail Individual Bidders other than ASBA Bidders

Our Company and the Syndicate shall open Escrow Account(s) with one or more Escrow Collection Bank(s) in whose favour the Bidders (other than ASBA Bidders) shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Payment Amount from Bidders in a certain category would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Banks, for and on behalf of the Bidders, shall maintain the monies in the Escrow Account until the Designated Date. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by Allotment of Equity Shares from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the relevant Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the members of the Syndicate, the Bankers to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

Payment into Escrow Account for Bidders other than ASBA Bidders

Please note that payment into Escrow Account is applicable only to Retail Individual Bidders and Eligible Employees Bidding through Bid-cum-Application Form and Anchor Investors.

Each Bidder other than ASBA Bidder shall draw a cheque or demand draft mechanism for the entire Payment Amount as per the following terms:

1. All Bidders would be required to pay the full Payment Amount at the time of the submission of the Bid-cum-Application Form.

2. The Bidders shall, with the submission of the Bid-cum-Application Form, draw a payment instrument for the Payment Amount in favour of the Escrow Account and submit the same to the members of the Syndicate in case of Bids by way of Syndicate ASBA or to the Registered Brokers. If the payment is not made favouring the Escrow Account along with the Bid-cum-Application Form, the Bid will be rejected. Bid-cum-Application Forms accompanied by cash, money order or postal order will not be accepted.

3. The payment instruments for payment into the Escrow Account should be drawn in favour of:

    - In case of resident Retail Individual Bidders: "Escrow Account– RHFL IPO – R"

    - In case of non-resident Retail Individual Bidders: "Escrow Account– RHFL IPO –NR"

    - In case of Eligible Employees: "Escrow Account– RHFL IPO – Employee".

    - In case of Resident Anchor Investors: "Escrow Account – RHFL IPO – Anchor Investor – R"

    - In case of Non-Resident Anchor Investor: "Escrow Account – RHFL IPO –Anchor Investor - NR"

4. In case of Bids by Eligible NRIs applying on repatriation basis, only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs who intend to make payment through freely convertible foreign exchange and are Bidding on a repatriation basis may make the payments through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident ("**FCNR**") Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary ("**NRO**") Account of Non-Resident Bidder Bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.

5. In case of Bids by Eligible NRIs applying on non-repatriation basis, the payments can be out of a NRO Account.

6. Each Anchor Investor shall provide their Bid Amount only to a BRLM.

7. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Accounts as per the terms of the Escrow Agreement into the Public Issue Account with the Public Issue Account Banks and the refund amount shall be transferred to the Refund Account.

8. No later than 12 Working Days from the Bid/Issue Closing Date, the Registrar to the Issue shall despatch all refund amounts payable to unsuccessful Bidders (other than ASBA Bidders) and also the excess amount paid on Bidding, if any, after adjusting for Allotment to such Bidders.

9. Payments should be made by cheque, or demand draft drawn on any bank (including a cooperative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid-cum-Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts will be rejected. Cash/money orders/postal orders will not be accepted. Please note that cheques without the nine digit MICR code are liable to be rejected.

10. Bidders are advised to provide the number of the Bid-cum-Application Form on the reverse of the cheque or bank draft to avoid misuse of instruments submitted with the Bid-cum-Application Form.

Payment by cash/money order/postal order

Payment through cash/money order/postal order shall not be accepted in the Issue.

Submission of Bid-cum-Application Forms

All Bid-cum-Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate in case of Bids by way of Syndicate ASBA or to the Registered Brokers. With regard to submission of Bid-cum-Application Forms, please see, "*Issue Procedure - Bid-cum-Application Forms*" on page 208.

All Registered Brokers of NSE and BSE (list available at http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm and http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3) which are part of the nationwide broker network of the Stock Exchanges, are enabled to accept application forms. The Registered Broker shall be responsible for uploading the bid on the Stock Exchange platform, banking the cheque / submitting the ASBA form to the SCSBs, etc. and liable for any failure in this regard.

No separate receipts shall be issued for the money payable on the submission of Bid-cum-Application Form or Revision Form. However, the collection centre of the members of the Syndicate in case of Bids by way of Syndicate ASBA or the Registered Brokers will acknowledge the receipt of the Bid-cum-Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. In case of ASBA Bids, an acknowledgement from the Designated Branch or concerned members of the Syndicate in case of Bids by way of Syndicate ASBA or the Registered Brokers, as the case may be, for submission of the Bid-cum-Application Form may be provided.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid-cum-Application Form or Revision Form. All communications will be addressed to the first Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. In this regard, all Bids will be checked for common PAN as per Depository records and all such Bids will be treated as multiple Bids and are liable to be rejected.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made. Bids by QIBs under the Anchor Investor Portion and the Net QIB Portion will not be considered as multiple Bids.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple Bids include the following:

1. All Bids will be checked for common PAN as per Depository records. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN will be treated as multiple Bids and are liable to be rejected.

2. For Bids from Mutual Funds and FII sub-accounts, which are submitted under the same PAN, as well as Bids for whom the submission of PAN is not mandatory such as on behalf of the Central or State government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Bids will be scrutinised for DP ID and Client ID. In case such Bids bear the same DP ID and Client ID, these will be treated as multiple Bids and are liable to be rejected.

Bids made by Eligible Employees both under the Employee Reservation Portion as well as in the Net Issue shall not be treated as multiple Bids.

After submitting an Bid-cum-Application Form either in physical or electronic mode, where such Bid made by an ASBA Bidder is uploaded with the Stock Exchanges, an ASBA Bidder cannot Bid, either in physical or electronic mode, on another Bid-cum-Application Form. Submission of a second Bid-cum-Application Form to either the same or to another Designated Branch of the SCSB or to any member of the Syndicate, will be treated as multiple Bids and will be liable to be rejected either before entering the Bid into the electronic Bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in the Issue. More than one ASBA Bidder may Bid for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Bid-cum-Application Form from an ASBA Bidder with respect to a single ASBA Account. However, an ASBA Bidder may revise the Bid through the Revision Form. For further details in connection with the procedure for revision of Bids, please see "*Build-up of the book and revision of Bids*" in section titled "*Issue Procedure*" on page 228.

Our Company, in consultation with the BRLMs, reserve the right to reject, in their absolute discretion, all multiple Bids or all except one multiple Bids in any or all categories.

Permanent Account Number or PAN

Except for Bids by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of a Bid in joint names, each of the Bidders, should mention his/her PAN allotted under the I.T. Act. In accordance with the SEBI ICDR Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. **Any Bid-cum-Application Form without the PAN is liable to be rejected. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground**.

However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Bids, the Registrar will check under the Depository records for the appropriate description under the PAN field i.e. either Sikkim category or exempt category.

With effect from August 16, 2010, the beneficiary accounts of Bidders for whom PAN details have not been verified have been labelled "suspended for credit" by the Depositories and no credit of Equity Shares pursuant to the Issue will be made in the accounts of such Bidders.

Withdrawal of ASBA Bids

QIBs and Non-Institutional Bidders cannot withdraw their ASBA Bids at any stage.

Retail Individual Bidders can withdraw their Bids before the finalisation of the Allotment. If the Retail Individual Bidder bidding through ASBA wishes to withdraw the Bid after the Bid/Issue Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalization of Allotment. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file and give instruction to the SCSB for unblocking the ASBA Account after approval of the 'Basis of Allotment'.

REJECTION OF BIDS

Our Company has a right to reject Bids based on technical grounds. In case of QIBs, other than Anchor Investors, Bidding through Syndicate ASBA, the BRLMs may reject Bids for reasons to be recorded in writing provided that such rejection shall be made at the time of acceptance of the bid and the reasons therefor shall be disclosed to the Bidders. In case of Non-Institutional Bidders, Retail Individual Bidders and Eligible Employees, our Company has a right to reject Bids based on technical grounds only. Consequent refunds shall be made through any of the modes described in the Red Herring Prospectus and will be sent to the Bidder's address, where applicable, at the sole/first Bidder's risk. In relation to all ASBA Bidders, SCSBs shall have no right to reject Bids, except on technical grounds or in the event that if at the time of blocking the Payment Amount in the ASBA Account, the SCSB ascertains that sufficient funds are not available in the Bidder's ASBA Account. Further, in case any DP ID, Client ID or PAN mentioned in the Bid-cum-Application Form and as entered into the electronic Bidding system of the Stock Exchanges by the members of the Syndicate in case of Bids by way of Syndicate ASBA, the SCSBs and the Registered Brokers, as the case may be, does not match with one available in the Depository's database, such Bid made by an ASBA Bidder shall be rejected by the Registrar to the Issue. Subsequent to the acceptance of a Bid by way of ASBA by the SCSB, our Company would have a right to reject such Bids by way of ASBA only on technical grounds.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected on technical grounds including:

- Bid submitted without payment of the entire Payment Amount or if the amount paid does not tally with the Payment Amount;

- Bids submitted by Retail Individual Bidders through the non-ASBA process, wherein the Payment Amount exceeds ₹ 200,000 upon revision of Bids;

- Bids submitted by Retail Individual Bidders and Eligible Employees which does not contain details of the Payment Amount in the Bid-cum-Application Form;

- Application submitted on a plain paper;

- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply. However a limited liability partnership firm can apply in its own name;

- Bids by minors identified based on the Demographic Details provided by the Depositories;

- PAN not mentioned in the Bid-cum-Application Form, except for Bids by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim provided such claims have been verified by the Depository Participants, DP ID and Client ID not mentioned in the Bid-cum-Application Form;

- GIR number furnished instead of PAN;
- Bids by Bidders whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010
- Bids by OCBs, VCFs and FVCIs;
- Bids for lower number of Equity Shares than specified for that category of investors;
- Bids at a price less than the Floor Price;
- Bids at a price more than the Cap Price;
- Bids at Cut-off Price by Non-Institutional Bidders and QIBs;
- Bids with Payment Amount for a value of more than ₹ 200,000 by Bidders falling under the category of Retail Individual Bidders and Eligible Employees;
- Bids by QIBs and Non-Institutional Bidders not submitted through ASBA;
- Bids by persons who are not Eligible Employees and have submitted their Bids under the Employee Reservation Portion;
- Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
- Bids for number of Equity Shares which are not in multiples of [•];
- Multiple Bids as referred to in this Red Herring Prospectus;
- Bids accompanied by money order/postal order/cash;
- Bid-cum-Application Forms not delivered by the Bidders within the time prescribed as per the Bid-cum-Application Forms, Bid/Issue Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid-cum-Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, DP ID, Client ID and PAN;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations and applicable law;
- Bids where clear funds are not available in Escrow Accounts as per final certificates from Escrow Collection Banks;
- Authorisation for blocking funds in the ASBA Account not ticked or provided;
- With respect to ASBA Bids, the ASBA Account not having credit balance to meet the application money or no confirmation is received from the SCSB for blocking of funds;
- Submission of more than five Bid-cum-Application Forms per ASBA account;

- Bids by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;

- Bids by any person outside India if not in compliance with applicable foreign and Indian laws;

- Bids by persons in the United States;

- Bids not uploaded on the terminals of the Stock Exchanges;

- Bids by QIBs uploaded after 5.00 p.m. on the Bid/Issue Closing Date applicable to QIBs, Bids by Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion uploaded after 5.00 p.m. or till such extended time period, if any on the Bid/Issue Closing Date, and Bids by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/Issue Closing Date; and

- ASBA Bids by SCSBs through ASBA Account maintained with itself.

FOR BID-CUM-APPLICATION FORMS FROM NON-ASBA BIDDERS, THE BASIS OF ALLOTMENT WILL BE BASED ON THE REGISTRAR'S VALIDATION OF THE ELECTRONIC BID DETAILS WITH THE DEPOSITORY RECORDS, AND THE COMPLETE RECONCILIATION OF THE FINAL CERTIFICATES RECEIVED FROM THE ESCROW COLLECTION BANKS WITH THE ELECTRONIC BID DETAILS IN TERMS OF THE SEBI CIRCULAR CIR/CFD/DIL/3/2010 DATED APRIL 22, 2010. THE REGISTRAR TO THE ISSUE WILL UNDERTAKE TECHNICAL REJECTIONS BASED ON THE ELECTRONIC BID DETAILS AND THE DEPOSITORY DATABASE. IN CASE OF ANY DISCREPANCY BETWEEN THE ELECTRONIC BID DATA AND THE DEPOSITORY RECORDS, THE ISSUER RESERVES THE RIGHT TO PROCEED AS PER THE DEPOSITORY RECORDS OR TREAT SUCH BID AS REJECTED.

IN TERMS OF THE SEBI CIRCULAR CIR/CFD/DIL/3/2010 DATED APRIL 22, 2010, FOR BID-CUM-APPLICATION FORM, THE REGISTRAR TO THE ISSUE WILL RECONCILE THE COMPILED DATA RECEIVED FROM THE STOCK EXCHANGES AND ALL SCSBS, AND IN TERMS OF THE SEBI CIRCULAR CIR/CFD/14/2012 DATED OCTOBER 4, 2012, FOR BID-CUM-APPLICATION FORMS, THE REGISTRAR TO THE ISSUE WILL RECONCILE THE SCHEDULES RECEIVED FROM ALL SCSBS WITH THE STOCK EXCHANGE DATA, AND MATCH THE SAME WITH THE DEPOSITORY DATABASE FOR CORRECTNESS OF DP ID, CLIENT ID AND PAN. IN CASES WHERE ANY DP ID, CLIENT ID AND PAN MENTIONED IN THE BID FILE FOR AN ASBA BIDDER DOES NOT MATCH THE ONE AVAILABLE IN THE DEPOSITORY DATABASE THE ISSUER RESERVES THE RIGHT TO PROCEED AS PER THE DEPOSITORY RECORDS ON SUCH ASBA BIDS OR TREAT SUCH ASBA BIDS AS REJECTED. THE REGISTRAR TO THE ISSUE WILL REJECT MULTIPLE ASBA BIDS BASED ON COMMON PAN.

IN CASE THE DP ID, CLIENT ID AND PAN MENTIONED IN THE BID-CUM-APPLICATION FORM AND ENTERED INTO THE ELECTRONIC BIDDING SYSTEM OF THE STOCK EXCHANGES BY THE SYNDICATE/THE SCSBs/THE REGISTERED BROKERS DO NOT MATCH WITH THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE RECORDS WITH THE DEPOSITORIES THE BID-CUM-APPLICATION FORM IS LIABLE TO BE REJECTED AND OUR COMPANY AND THE MEMBERS OF THE SYNDICATE SHALL NOT BE LIABLE FOR LOSSES, IF ANY.

FURTHER, BIDS BY PERSONS PROHBITED FROM BUYING, SELLING OR DEALING IN THE EQUITY SHARES DIRECTLY OR INDIRECTLY BY SEBI OR ANY OTHER REGULATORY AUTHORITY WILL BE REJECTED.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

The Allotment shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among our Company with the respective Depositories as follows:

- Agreement dated January 15, 2013 among NSDL, our Company and Karvy Computershare Private Limited.
- Agreement dated May 14, 2012 among CDSL, our Company and Karvy Computershare Private Limited.

All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

(a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

(b) The Bidder must necessarily fill in the details (including the DP ID, Client ID and PAN) appearing in the Bid-cum-Application Form or Revision Form.

(c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.

(d) Names in the Bid-cum-Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

(e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid-cum-Application Form or Revision Form, it is liable to be rejected.

(f) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid-cum-Application Form vis-à-vis those with his or her Depository Participant.

(g) Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL

(h) The trading of the Equity Shares would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

(i) Non transferable advice or refund orders will be directly sent to the Bidders by the Registrar.

Communications

All future communications in connection with Bids made in the Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or first Bidder, Bid-cum-Application Form number, Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, date of Bid-cum-Application Form, name and address of the members of the Syndicate in case of Bids by way of Syndicate ASBA, the Designated Branch or the Registered Brokers where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, ASBA Account number in which the amount equivalent to the Payment Amount was blocked.

Bidders can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post Issue related problems such as non-receipt of CAN, credit of Allotted Equity Shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Bids submitted to (i) the Designated Branches of the SCSBs, the Bidders can contact the relevant Designated Branch; or (ii) the members of the Syndicate, the Bidders can contact the concerned member of the Syndicate and the relevant SCSB giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application; in both cases with a copy to the Registrar to the Issue.

PAYMENT OF REFUND

Within 12 Working Days of the Bid/Issue Closing Date, the Registrar to the Issue will dispatch the refund orders for all amounts payable to unsuccessful Bidders (other than ASBA Bidders) and also any excess amount paid on Bidding, after adjusting for allocation/Allotment to Bidders

In the case of Bidders other than ASBA Bidders, the Registrar to the Issue will obtain from the Depositories the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Bidders in their Bid-cum-Application Forms. Accordingly, Bidders are advised to immediately update their details as appearing on the records of their Depository Participants. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay will be at the Bidders' sole risk and neither our Company, the Registrar to the Issue, the Escrow Collection Banks, Refund Banks or the members of the Syndicate, will be liable to compensate the Bidders for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

Mode of making refunds for Bidders other than ASBA Bidders

The payment of refund, if any, for Bidders other than ASBA Bidders would be done through any of the following modes:

1. NECS – Payment of refund would be done through NECS for Bidders having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR/IFSC code from the Depositories.

2. Direct Credit – Bidders having bank accounts with the Refund Bank(s), as per Demographic Details received from the Depositories, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company.

3. RTGS – Bidders having a bank account at any of the centres where such facility has been made available and whose refund amount exceeds ₹ 0.20 million, have the option to receive refund through RTGS provided the Demographic Details downloaded from the Depositories contain the nine digit MICR code of the Bidder‘s bank which can be mapped with the RBI data to obtain the corresponding IFSC. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

4. NEFT – Payment of refund shall be undertaken through NEFT wherever the Bidders' bank has been assigned the IFSC Code, which can be linked to an MICR, if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage, hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.

5. For all other Bidders, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched through speed post/registered post. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Refund Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Mode of making refunds for ASBA Bidders

In case of ASBA Bidders, the Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Payment Amount specified in the Bid-cum-Application Form for withdrawn, rejected or unsuccessful or to the extent of amount not payable in case of partially successful ASBA Bids within 12 Working Days of the Bid/Issue Closing Date.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

With respect to Bidders other than ASBA Bidders, our Company shall ensure dispatch of CAN, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give credit of Equity Shares to the beneficiary account with Depository Participants within 12 Working Days of the Bid/Issue Closing Date.

In case of applicants who receive refunds through NECS, direct credit or RTGS or NEFT, the refund instructions will be given to the clearing system within 12 Working Days from the Bid/Issue Closing Date. A suitable communication shall be sent to the Bidders receiving refunds through this mode within 12 Working Days of the Bid/Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for commencement of trading at all the Stock Exchanges where the Equity Shares are listed are taken within 12 Working Days from the Bid/Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI ICDR Regulations, our Company further undertakes that:

- Allotment shall be made only in dematerialised form within 12 Working Days of the Bid/Issue Closing Date; and

- With respect to Bidders other than ASBA Bidders, dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 12 Working Days of the Bid/Issue Closing Date would be ensured. With respect to the ASBA Bidders, instructions for unblocking of the ASBA Bidder's ASBA Account shall be made within 12 Working Days from the Bid/Issue Closing Date.

Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or CAN by registered post/speed post. With regard to refunds, bank charges, if any, for en-cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Our Company confirms and undertakes that it shall pay interest at 15% per annum, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within 12 Working Days from the Bid/Issue Closing Date.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

"*Any person who:*

(a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or

(b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,

***shall be punishable with imprisonment for a term which may extend to five years.*"**

BASIS OF ALLOTMENT

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

- The Net Issue size less Allotment to Non-Institutional Bidders and QIBs shall be available for Allotment to Retail Individual Bidders who have Bid at a price that is equal to or greater than the Issue Price, subject to not less than 35% of the Net Issue being available for Allotment to Retail Individual Bidders.

- If the aggregate demand in this category is less than or equal to 5,439,092 Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

- If the aggregate demand in this category is more than 5,439,092 Equity Shares, the allotment of Equity Shares to each Retail Individual Bidder shall not be less than minimum bid lot, subject to availability of Equity Shares in Retail Investor category, and the remaining available Equity Shares, if any, shall be allotted on proportionate basis. For the method of proportionate Basis of Allotment, refer below.

- Our Company, in consultation with the BRLMs, may decide to offer a discount to the Issue Price amounting to ₹ [●] to Retail Individual Bidders. Bidders may note that the Bid Amount net of the Retail Discount, *i.e.* the Payment Amount, will be used to determine whether the Bid exceeds ₹ 200,000 or not.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.

- The Net Issue size less Allotment to QIBs and Retail Individual Bidders shall be available for Allotment to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price, subject to not less than 15% of the Net Issue being available for Allotment to Non-Institutional Bidders.

- If the aggregate demand in this category is less than or equal to 2,331,040 Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

- In case the aggregate demand in this category is greater than 2,331,040 Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares. For the method of proportionate Basis of Allotment refer below.

C. For QIBs in the Net QIB Portion

- Bids received from the QIBs Bidding in the QIB Portion at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all the QIBs will be made at the Issue Price.

- The QIB Portion shall be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price.

- Allotment shall be undertaken in the following manner:

  (a) In the first instance allocation to Mutual Funds for up to 5% of the Net QIB Portion shall be determined as follows:

    (i) In the event that Bids by Mutual Fund exceeds 5% of the Net QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the Net QIB Portion.

(ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price;

(iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds shall be available for Allotment to all QIBs as set out in (b) below;

(b) In the second instance Allotment to all QIBs shall be determined as follows:

- In the event of oversubscription in the Net QIB Portion, all QIBs who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the Net QIB Portion;

- Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs;

- Under-subscription below 5% of the Net QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIBs on a proportionate basis.

- The aggregate Allotment to QIBs Bidding in the Net QIB Portion may be up to 7,770,131 Equity Shares.

D. For Employee Reservation Portion

- The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the value of Allotment to any Eligible Employee shall not exceed ₹ 200,000.

- The allotment in the Employee Reservation Portion will be on a proportionate basis. Bidders under the Employee Reservation Portion may Bid at Cut-Off Price.

- Bids received from the Eligible Employees at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Eligible Employees will be made at the Issue Price.

- If the aggregate demand in this category is less than or equal to 180,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand. The maximum Bid under Employees Reservation Portion by an Eligible Employee cannot exceed ₹ 200,000.

- If the aggregate demand in this category is greater than 180,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of [●] Equity Shares. For the method of proportionate Basis of Allotment, refer below.

- Only Eligible Employees are eligible to apply under the Employee Reservation Portion.

- Our Company, in consultation with the BRLMs, may decide to offer a discount to the Issue Price amounting to ₹ [●] to Eligible Employees. Bidders may note that the Bid Amount net of the Employee Discount, *i.e.* the Payment Amount, will be used to determine whether the Bid exceeds ₹ 200,000 or not.

E. For Anchor Investors

- Allocation of Equity Shares to Anchor Investors, if any, at the Anchor Investor Allocation Price will be at the discretion of our Company, in consultation with the BRLMs, subject to compliance with the following requirements:

(a) not more than 30% of the QIB Portion will be allocated to Anchor Investors;

(b) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors;

(c) Allocation to the Anchor Investors shall be on a discretionary basis and subject to the following:

i. Maximum of two such Bidders shall be permitted for allocation up to ₹ 100 million;
ii. Minimum of two and maximum of 15 such Bidders shall be permitted for allocation above ₹ 100 million and up to ₹ 2500 million, subject to minimum allotment of ₹ 50 million per such Bidder;
iii. Minimum of five and maximum of 25 such investors shall be permitted for allocation above ₹ 2,500 million, subject to minimum allotment of ₹ 50 million per such Bidder.

- The number of Equity Shares Allotted to Anchor Investors, if any, and the Anchor Investor Allocation Price shall be made available in the public domain by the BRLMs before the Bid/Issue Opening Date by intimating the same to the Stock Exchanges.

Method of Proportionate Basis of Allotment

In the event of the Issue being over-subscribed, our Company shall finalise the Basis of Allotment in consultation with the Designated Stock Exchange. The executive director or the managing director of the Designated Stock Exchange along with the BRLMs and the Registrar to the Issue shall be responsible for ensuring that the Basis of Allotment is finalised in a fair and proper manner in accordance with the SEBI ICDR Regulations.

The allocation shall be made in marketable lots, on a proportionate basis as explained below:

a) Bidders will be categorised according to the number of Equity Shares applied for.

b) The total number of Equity Shares to be allotted to each category except Retail Individual Bidder and Anchor Investor as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

c) The number of Equity Shares to be allotted to the successful Bidders except Retail Individual Bidders and Anchor Investors will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio. The allotment of Equity Shares to each Retail Individual Bidder shall not be less than minimum bid lot, subject to availability of Equity Shares in Retail Investor category, and the remaining available Equity Shares, if any, shall be allotted on proportionate basis.

d) In all Bids where the proportionate Allotment is less than [•] Equity Shares per Bidder, the Allotment shall be made as follows:

  - The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and

  - Each successful Bidder shall be allotted a minimum of [•] Equity Shares.

e) If the proportionate Allotment to a Bidder is a number that is more than [•] but is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it would be rounded off to the lower whole number. Allotment to all in such categories would be arrived at after such rounding off.

f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

g) Subject to valid Bids being received, allocation of Equity Shares to Anchor Investors shall be at the sole discretion of our Company, in consultation with the BRLMs.]

Illustration of Allotment to QIBs and Mutual Funds ("MF")

A. Issue Details

Particulars	Issue details
Issue size	202 million equity shares
Employee Reservation Portion	2 million equity shares
Net Issue size	200 million equity shares
Allocation to QIB (up to 50% of the Issue)	100 million equity shares
Of which:	
a. Reservation For Mutual Funds, (5%)	5 million equity shares
b. Balance for all QIBs including Mutual Funds	95 million equity shares
Number of QIB applicants	10
Number of Equity Shares applied for	500 million equity shares

B. Details of QIB Bids

Sr. No.	Type of QIBs*	No. of shares bid for (in million)
1.	A1	50
2.	A2	20
3.	A3	130
4.	A4	50
5.	A5	50
6.	MF1	40
7.	MF2	40
8.	MF3	80
9.	MF4	20
10.	MF5	20
11.	**Total**	**500**

* *A1-A5: (QIBs other than Mutual Funds), MF1-MF5 (QIBs which are Mutual Funds) Details of Allotment to QIBs Applicants*

C. Details of Allotment to QIBs/Applicants

Type of QIB	Shares bid for	Allocation of 5% Equity Shares	Allocation of 95% Equity Shares	Aggregate allocation to Mutual Funds
(I)	**(II)**	**(III)**	**(IV)**	**(V)**
	(Number of equity shares in million)			
A1	50	0	9.60	0
A2	20	0	3.84	0
A3	130	0	24.95	0
A4	50	0	9.60	0
A5	50	0	9.60	0
MF1	40	1	7.48	8.48
MF2	40	1	7.48	8.48
MF3	80	2	14.97	16.97
MF4	20	0.5	3.74	4.24
MF5	20	0.5	3.74	4.24
	500	**5**	**95**	**42.42**

Please note:

1. The illustration presumes compliance with the requirements specified in this Red Herring Prospectus in the section titled "*Issue Structure*" beginning on page 202.

2. Out of 100 million Equity Shares allocated to QIBs, 5 million (i.e., 5%) will be Allotted on a proportionate basis among five Mutual Fund applicants who applied for 200 million Equity Shares in the QIB Portion.

3. The balance 95 million Equity Shares i.e., 100 -5 (available for Mutual Funds only) will be Allotted on a proportionate basis among 10 QIBs who applied for 500 million Equity Shares (including 5 Mutual Fund applicants who applied for 200 million Equity Shares).

4. The figures in the fourth column entitled "*Allocation of balance 95 million Equity Shares to QIBs proportionately*" in the above illustration are arrived at as explained below:

   - For QIBs other than Mutual Funds (A1 to A5) = Number of Equity Shares Bid for × 95/495

   - For Mutual Funds (MF1 to MF5) = (No. of shares bid for (i.e., in column II of the table above) less Equity Shares Allotted (i.e., column III of the table above) × 95/495

   - The numerator and denominator for arriving at the allocation of 95 million Equity Shares to the 10 QIBs are reduced by 5 million shares, which have already been Allotted to Mutual Funds in the manner specified in column III of the table above.

Illustration Explaining Procedure of Allotment to Retail Individual Bidders *(Investors should note that this example is solely for illustrative purposes and is not specific to the Issue)*

A.

1. Total no. of specified securities on offer at ₹ 600 per equity share: 10 million specified securities.
2. Specified securities on offer for retail individual investors' category: 3.5 million specified securities.
3. The issue is over-subscribed 2.5 times whereas the retail individual investors' category is oversubscribed 4 times.
4. Issuer decides to fix the minimum application / bid size as 20 specified securities (falling within the range of ₹ 10,000 - 15,000). Application can be made for a minimum of 20 specified securities and in multiples thereof.
5. Assume that a total of 100,000 retail individual investors have applied in the issue, in varying number of bid lots i.e. between 1 - 16 bid lots, based on the maximum application size of up to ₹ 200,000.
6. Out of the 100,000 investors, there are five retail individual investors A, B, C, D and E who have applied as follows: A has applied for 320 specified securities. B has applied for 220 specified securities. C has applied for 120 specified securities. D has applied for 60 specified securities and E has applied for 20 specified securities.
7. As per allotment procedure, the allotment to retail individual investors shall not be less than the minimum bid lot, subject to availability of shares, and the remaining available shares, if any, shall be allotted on a proportionate basis.

The actual entitlement shall be as follows:			
Sr. No.	**Name of Investor**	**Total Number of specified securities applied for**	**Total number of specified securities eligible to be allotted**
1	A	320	20 specified securities (i.e. the minimum bid lot) + 38 specified securities [{35,00,000 - (1,00,000 * 20)} / {140,00,000 - (1,00,000 *20)}] * 300 (i.e. 320-20)
2	B	220	20 specified securities (i.e. the minimum bid lot) + 25 specified securities [{35,00,000 - (1,00,000 * 20) / {140,00,000 - (1,00,000 * 20)}] * 200 (i.e. 220-20)
3	C	120	20 specified securities (i.e. the minimum bid lot) + 13 specified securities [{35,00,000 - (1,00,000 * 20)} / {(140,00,000 - (1,00,000 * 20)}] * 100 (i.e. 120-20)
4	D	60	20 specified securities (i.e. the minimum bid lot) + 5 specified securities [{(35,00,000 - 1,00,000 * 20)} / {(140,00,000 - (1,00,000 * 20)}] * 40 (i.e. 60-20)
5	E	20	20 specified securities (i.e. the minimum bid lot)

B.

1. Total no. of specified securities on offer at ₹ 600 per share: 10 million specified securities.
2. Specified securities on offer for retail individual investors' category: 3.5 million specified securities.
3. The issue is over-subscribed 7 times whereas the retail individual investors' category is over subscribed 9.37 times.

4. Issuer decides to fix the minimum application / bid size as 20 specified securities (falling within the range of ₹ 10,000 - 15,000). Application can be made for a minimum of 20 specified securities and in multiples thereof.
5. Assume that a total of 200,000 retail individual investors have applied in the issue, in varying number of bid lots i.e. between 1 - 16 bid lots, based on the maximum application size of up to ₹ 200,000, as per the table shown below.
6. As per allotment procedure, the allotment to retail individual investors shall not be less than the minimum bid lot, subject to availability of shares.
7. Since the total number of shares on offer to retail individual investors is 3,500,000 and the minimum bid lot is 20 shares, the maximum no. of investors who can be allotted this minimum bid lot will be 175,000. In other words, 175,000 retail applicants will get the minimum bid lot and the remaining 25,000 retail applicants will not get allotment.

The details of allotment shall be as follows:				
No. of Lots	**No. of Shares at each lot**	**No. of retail Investors applying at each lot**	**Total No. of Shares applied for at each lot**	**No. of investors who shall receive minimum bid-lot (to be selected on lottery)**
A	**B**	**C**	**D=(B*C)**	**E**
1	20	10,000	200,000	8,750 =(1,75,000/2,00,000)* 10,000
2	40	10,000	400,000	8,750
3	60	10,000	600,000	8,750
4	80	10,000	800,000	8,750
5	100	20,000	2,000,000	17,500
6	120	20,000	2,400,000	17,500
7	140	15,000	2,100,000	13,125
8	160	20,000	3,200,000	17,500
9	180	10,000	1,800,000	8,750
10	200	15,000	3,000,000	13,125
11	220	10,000	2,200,000	8,750
12	240	10,000	2,400,000	8,750
13	260	10,000	2,600,000	8,750
14	280	5,000	1,400,000	4,375
15	300	15,000	4,500,000	13,125
16	320	10,000	3,200,000	8,750
Total	**200,000**	**328,00,000**	**175,000**	

Refund Orders or instructions to the SCSBs

The Registrar to the Issue shall give instructions for credit to the beneficiary account with depository participants within 12 Working Days of the Bid/Issue Closing Date. Applicants residing at the centres where clearing houses are managed by the RBI, will get refunds through NECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS and NEFT. Our Company shall ensure dispatch of refund orders through ordinary post for refund orders less than or equal to ₹ 1,500 and through registered post or speed post for refund orders exceeding ₹ 1,500 at the sole or first Bidder's sole risk within 12 Working Days of the Bid/Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 12 Working Days of the Bid/Issue Closing Date. In case of ASBA Bidders, the Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent unsuccessful for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid/Issue Closing Date.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- That the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;

- That all steps for completion of the necessary formalities for commencement of trading at all the Stock Exchanges where the Equity Shares are listed shall be undertaken within the timelines specified by law;

- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;

- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 12 Working Days of the Bid/Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- That other than as disclosed in this Red Herring Prospectus, no further issue of Equity Shares shall be made till final trading approvals from all the Stock Exchanges have been obtained for the Equity Shares offered through the Red Herring Prospectus;

- That adequate arrangements shall be made to collect all Bid-cum-Application Forms and to consider them similar to non-ASBA applications while finalising the Basis of Allotment;

- That we shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought, has been received.

Utilisation of Issue proceeds

Our Company declares that:

1. All monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;

2. Details of all monies utilised out of Issue shall be disclosed, and continue to be disclosed till the time any part of the issue proceeds remains unutilised, under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised;

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

4. Our Company shall not have recourse to the proceeds of the Issue until the final listing and trading approvals from all the Stock Exchanges have been obtained.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before the Allotment. In such event, our Company shall issue a public notice in an English language national daily newspaper, a Hindi language national daily newspaper, and a Tamil language daily newspaper, each with wide circulation, in which the pre-Issue advertisements were published, which shall include reasons for such withdrawal, within two days of closure of the Issue. Our Company shall also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed and the BRLMs, through the Registrar to the Issue, shall notify the SCSBs to unblock the ASBA Accounts.

Further, in the event of a withdrawal of the Issue, if our Company subsequently determines that it will proceed with an initial public offering of its Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the final approval of the RoC, after the Prospectus is filed with the RoC.

SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to Schedule II of the Companies Act and the SEBI ICDR Regulations, the main provisions of our Articles relating to, *inter-alia*, voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in our Articles and capitalized/defined terms herein have the same meaning given to them in our Articles.

No regulation contained in Table "A" in the First Schedule to Companies Act applies to our Company but the regulations for the management of our Company and for the observance of the members thereof and their representatives shall be as set out in the relevant provisions of the Companies Act and subject to any exercise of the statutory powers of our Company with reference to the repeal or alteration of or addition to its regulations by special resolution as prescribed by the Companies Act as are contained in the Articles unless the same are repugnant or contrary to the provisions of the Companies Act.

Capitalized terms used in this section have the meaning given to such terms in the Articles.

DEFINITIONS

"Act"	shall mean the Companies Act, 1956, as amended
"Affiliate"	shall mean and include, in respect of a Party, any Person existing as of the date of the Agreement or at any time in the future: (i) who, is Controlling, Controlled by, or is under the common Control of, the relevant Party; or (ii) where 26% or more of the voting securities of the Party are directly or indirectly owned, legally and beneficially, by such Person; or (iii) in case of Parties who are natural persons, any Relative of such Party; Without prejudice to the generality of the foregoing, "Affiliate", in respect of the Investor shall be deemed to include, without limitation any fund, collective investment scheme, trust, partnership (including, without limitation, any co-investment partnership), special purpose or other vehicle or any subsidiary or affiliate of any of the foregoing, which is managed by the Carlyle group whether at present or in the future and in which any member of the Carlyle group is a general or limited partner
"Agreement"	means the share purchase, share subscription and shareholders agreement dated December 28, 2007 entered into between the Company, the Promoter and the Investors, as from time to time amended, supplemented or replaced or otherwise modified and any document which amends, supplements, replaces or otherwise modifies the Agreement as together with the Recitals and Schedules attached thereto;
"Amendment Agreement"	means the amendment agreement dated May 5, 2011 entered into by and between the Company, Promoter and the Investors, as from time to time amended, supplemented or replaced or otherwise modified and any document which amends, supplements, replaces or otherwise modifies the Amendment Agreement together with the recitals and schedules and/or annexures attached thereto;
"Association"	means any form of connection, affiliation or association with the Company, its respective Affiliates or the Affiliates of the Promoter, including but not limited to a connection, affiliation or association as: a. a shareholder, promoter, founder or principal; b. an employee, consultant or advisor; c. a director, manager or officer; and/or d. a lender or borrower, of the Company, its respective Affiliates or the Affiliates of the Promoter;

“Board”	means the Board of Directors of the company for the time being.
“Co-Investors”	means Mr. Madhava Menon Shankar Narayanan, Mr. Mahesh Parasuraman, Mr. Nikhil Mohta and Mr. Manish Gaur;
“Directors”	means the directors of the Company;
“Equity Shares”	means the issued and fully paid-up equity shares of the Company, having a face value of ₹ 10 (Rupees Ten) each;
“Governmental Authority”	includes the President of India, the Government of India, the Governor and the Government of any State in India, any Ministry or Department of the same or any governmental or political subdivision thereof, any legislative, executive or administrative body, municipality or any local or other authority, trade agency, regulatory authority, court, tribunal or arbitral tribunal, exercising powers conferred by Law in India and shall include, without limitation, the Department of Company Affairs, Securities and Exchange Board of India (“SEBI”), the Reserve Bank of India (“RBI”), the Foreign Investment Promotion Board (“FIPB”) and the NHB;
“Investor”	shall mean First Carlyle Growth VI;
“Investors”	shall mean the Investor and the Co-Investor collectively
“IPO”	means an offering to the public of Equity Shares/ordinary shares/common shares of the Company approved by the Investor in writing, except for a Qualified IPO;
“Listing Date”	shall mean the date on which the Equity Shares of the Company are listed on any recognized stock exchange in India pursuant to a QIPO/IPO;
“NHB”	means the National Housing Bank as constituted under the National Housing Bank Act, 1987;
“NHB Guidelines”	means the NHB Act, 1987, circulars, notifications, directions, guidelines as issued from time to time by NHB or any Governmental Authority and which are applicable to the Company;
“Ordinary Shareholder”	shall mean the holder of an Equity Share;
“Parties”	shall mean collectively the Company, the Investor, and the Co-Investors and the Promoter and “Party” shall be construed accordingly;
“PoA”	shall have the meaning ascribed to the term in Article 148.3;
“Promoter”	means The Repatriates Co-operative Finance and Development Bank Limited;
“Promoter Shares”	means any Equity Shares held (or which may be held at a later date) by the Promoter and/or the Affiliates of the Promoter;
“Qualified IPO” or “QIPO”	means closing of a public offering of Equity Shares of the Company with gross proceeds to the Company in excess of ₹ 1,000 Million (Rupees One Thousand Million) at a minimum pre QIPO market capitalization of ₹ 6,000 Million (Rupees Six Thousand Million) or its equivalent if the QIPO is in a different currency, which thresholds may be reduced in writing by the Investor at its sole discretion;
“RHP”	shall mean the red herring prospectus of the Company to be filed with SEBI pursuant to the QIPO/IPO in accordance with the SEBI ICDR Regulations;

"ROFR Offer Period"	shall have the meaning ascribed to the term in **Article 150.4;**
"ROFR Offer Shares"	shall have the meaning ascribed to the term in **Article 150.1;**
"Transfer"	means (in either the noun or the verb form and including all conjugations thereof with their correlative meanings) with respect to any ownership interests, the direct or indirect sale, assignment, encumbrance, transfer or other disposition (whether for or without consideration, whether directly or indirectly, whether voluntary or involuntary or by operation of law) of any such ownership interests or of any direct or indirect beneficial interest therein or the creation of any third party interest in or over such ownership interests;
"Trading Window"	shall have the meaning ascribed to the term in **Article 150.3**;
"Transfer Notice"	shall have the meaning ascribed to the term in **Article 150.3**;
"Transferring Party"	shall have the meaning ascribed to the term in **Article 150.1**;
"Voting Shares"	shall have the meaning ascribed to the term in **Article 148.3;**
"Warranties"	means the representations and warranties provided by the Promoter and the Company in the Agreement.

SHARES

Redeemable preference shares

The Company shall have power to issue preference shares carrying right to redemption shares out of profits which would otherwise be available for dividend, or out of the proceeds of a fresh issue of shares made for the purpose of such redemption, or liable to be redeemed at the option of the Company, and the Board may subject to the provisions of Section 80 of the Act, exercise such power in such manner as it thinks fit.

Further issue

1. Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares out of the unissued capital or out of the increased share capital then;

    a) such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid-up on those shares at that date.
    b) Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than thirty days from the date of offer within which the offer, if not accepted, will be deemed to have been declined.
    c) The aforesaid offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right.

    PROVIDED THAT the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him.

    d) After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner and to such person(s) as they may think, in their sole discretion, fit.

2. Notwithstanding anything contained in preceding sub-clause, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof) in any manner whatsoever.

   a. If a special resolution to that effect is passed by the Company in general meeting; or

   b. where no such special resolution is passed, if the votes cast (whether on a show of hands, or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the Company.

Allotment of shares

Subject to the provision of Section 81 of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provisions of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the general meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid-up shares and if so issued, shall be deemed to be fully paid shares. PROVIDED THAT option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the general meeting.

Issue of shares at a discount

Subject to the provisions of the Act it shall be lawful for the Company to issue at a discount, shares of a class already issued.

CERTIFICATES

Member's right to certificate

a) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be.

b) Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery vis-à-vis all such holders. Particulars of every certificate issued shall be entered in the Register maintained in the form set out in the Companies (Issue of Share Certificate) Rules, 1960.

As to issue of new certificate

If any certificate of any share or shares be surrendered to the Company for subdivision or consolidation or if any certificate by defaced, torn or old, decrepit, worn-out or where the cages on the reverse for recording transfer have been duly utilized, then upon surrender thereof to the Company, the Board, may order the same to be cancelled and may issue new certificate in lieu thereof, and if any certificate be lost or destroyed, then upon proof thereof to the satisfaction of the Board, and on such indemnity as the Board thinks fit being given a new certificate in lieu thereof; shall be given to party entitled to the shares to which such lost or destroyed certificate relate. Where a new certificate has been issued as aforesaid it shall state on the face of it and against the stub or counterfoil that it is issued in lieu of a share certificate or is a duplicate issued for the one so replaced and, in the case certificate issued in place of one which has been lost or destroyed, the word "duplicate" shall be stamped or punched in bold letter across the face thereof. Every certificate issued under this Article shall be issued without payment of fees, if the Directors so decide, or on payment of such fees (not exceeding ₹ 2 for each certificate) as the Directors shall prescribe subject to Article 13.2.

Provided that the Directors shall comply with such rules or regulation or requirements of any stock exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other act, or rules applicable in this behalf.

Fee on sub-division of shares and issue of new certificates, among others.

a) No fee shall be charged for sub-division and consolidation of share and debenture and for sub-division of letters of allotment and split, consolidation, renewal and pucca transfer receipts into denominations, corresponding to the market units of trading, for sub-division of renounceable letter of rights; for issue of new certificate in replacement of those which are old, decrepit or worn out, or where the cages on that the Company may charge such fees as may be agreed by it with the stock exchange with which its shares may be enlisted for the time being for issue of new certificates in replacement of those that are torn, defaced, lost or destroyed, and for sub-division and consolidation of share and debenture certificates and for sub-division of letter of allotment and split, consolidation, renewal and pucca transfer receipts into denominations other than those fixed for the market units of trading.

b) The provisions of this Article shall mutatis mutandis apply to the debenture certificates of the Company.

CALLS

Calls

The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same, whole or any part of the amount remaining unpaid on any shares held by him beyond the sums actually called for, and upon the amount so paid in advance, or so much thereof as from time to time exceeds the amount of the call then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividends. The Directors may at any time repay the amount so advanced.

When call deemed to have been made

That the option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting.

The members shall not be entitled to any voting rights in respect of the money so paid by them until the same would, but for such payment, become presently payable.

Notice to call

Not less than 30 (Thirty) days notice of any call shall be given specifying the time and place of payment and to whom such call shall be paid.

Amount payable

If by the terms of issue of any share or otherwise, the whole or part of the amount of issue price thereof is made payable at any fixed time or by instalments at fixed times, every such amount of issue price or instalment thereof shall be payable as if it was a call duly made by the directors and of which due notice had been given and all the provisions herein contained in respect of calls shall apply to such amount or issue price or instalments accordingly.

Interest to be charged on non-payment of call.

If the sum payable in respect of any call or instalment be not paid on or before the day appointed for the payment there of, the holder for the time being of the share in respect of which the call shall have been made or the instalment shall be due, shall pay interest for the same at the rate of 12% per annum, from the day appointed for the payment thereof to the day of actual payment or at such other rate as the Directors may determine but they shall have power to waive the payment thereof wholly or in part.

Evidence in actions by Company against share

On the trial or hearing of any action or suit brought by the Company against any member or his representative to recover any debt or money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the defendant is, or was, when the claim arose, on the Register of the Company as a holder, or one of the holder of the number of shares in respect of which such claim is made, that the resolution making the call is duly recorded in the minute book and that the amount claimed is not entered as paid in the books of the Company, and it shall not be necessary to prove the appointment of the Directors who made any, call nor that a quorum of Directors was present at the meeting at which any call was made nor that such meeting was duly convened or constituted, nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Payment of calls in advance.

The Board may, if it thinks fit, receive from any member willing to advance the same, all or any part of the money due upon the shares held by him beyond the sums actually called for, and upon the money so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of call then made, upon the share in respect of which such advance has been made, the Company may pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, 6% per annum as the member paying such sum as advance and the Board agree upon. Money so paid in excess of the amount of call shall not rank for dividends or confer a right to participate in profits. The Board may at any time repay the amount so advanced upon giving such member not less than three months notice in writing. The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.

FORFEITURE AND LIEN

Notice may be given for calls or instalment not paid

If any member fails to pay any call or instalment on or before the day appointed or the payment of the same, the Directors may at any time thereafter, during such lime as the call or instalment remains unpaid, serve notice on such member requiring him to pay the same together with any interest that may have accrued and expenses, that may have been incurred by the Company by reasons of such non-payment.

Form of notice

The notice shall name a day (not being less than 30 (Thirty) days from the date of the notice) and a place or places on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment on or before the time, and at the place or places appointed, the shares in respect of which such call was made or instalment is payable will be liable to be forfeited.

If notice not complied with shares may be forfeited

If the requirement of any such notice as aforesaid be not complied with, any shares in respect which such notice has been given may, at any time thereafter before payment of all calls or instalments, interest and expenses due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share not actually paid before the forfeiture. Neither the receipt by the Company of portion of any money which shall, from time to time, be due from any member of the Company in respect of his shares, either by way of principal or interest, nor any indulgency granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such share as herein provided.

Notice after forfeiture

When any shares shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

Forfeited share to become property of the Company

Any share so forfeited shall be deemed to be the property of the Company, and the Directors may sell, re-allot or otherwise dispose of the same in such manner as they think fit.

Power to annul forfeiture.

The Directors may, at any time before any share so forfeited shall not be sold, re-allotted or otherwise disposed off, annul the forfeiture thereof upon such conditions as they think fit.

Arrears to be paid not withstanding forfeiture

Any member whose shares have been forfeited shall notwithstanding such forfeiture, be liable to pay and shall forthwith pay to the Company all calls, instalments, interest and the expenses, owing upon or in respect of such shares, at the time of all instalments, interest and the forfeiture together with interest thereupon, from the time of the forfeiture until payment at 12% per annum or such other rate as the Directors may determine and the Directors may enforce the payment thereof without any deduction or allowance for the value of shares at the time of forfeiture but shall not be under any obligation to do so.

Effect of forfeiture

The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company in respect of the share and all other rights incidental to the share except only such of those rights as by these Articles are expressly saved.

Company's lien on shares

The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of such member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any shares shall be created except on the condition that this Article will have full effect. Such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed, the registration of the transfer of shares/debentures shall operate as a waiver of the Company’s lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provision of the clause.

Power to buy back securities

The Company and/or the Board of Directors shall have power, subject to and in accordance with Sections 77A, 77AA, 77B and other applicable provisions of the Act or the corresponding provisions, rules, regulations and guidelines prescribed by the Government of India, or any other authority, to purchase any of its own fully paid-up securities or other specified securities whether or not they are redeemable and may make a payment out of its free reserves or securities premium account of the Company or proceeds of any shares or other specified securities or from such other sources as may be permitted by law on such terms, conditions and in such manner as may be prescribed by the law from time to time in respect of such purchase, provided that no buy back of any kind of shares or other specified securities shall be made out of the proceeds of an earlier issue of the same kind of shares or same kind of other specified securities.

TRANSFER AND TRANSMISSION OF SHARES

Execution of transfer etc.

Subject to the provisions of the Act and these Articles, no transfer of shares shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor or transferee has been delivered to the Company together with the certificate or certificates of the shares, or if no such certificate is in existence along with the letter of allotment of shares. The instrument of transfer of any shares shall be signed both by or on behalf of the transferor and by or on behalf of transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect thereof.
The instrument of transfer shall be in writing and all provisions of Section 108 of the Act and statutory modifications thereof for the time being shall be duly complied with in respect of all transfer of shares and registrations thereof.

Nothing contained herein shall apply to a transfer of shares held in dematerialized form which shall be governed by the provisions of Article 146A.

Application for transfer

Application for the registration of the transfer of a share may be made either by the transferor or the transferee provided that, where such application is made by the transferor, no registration shall in the case of partly paid share be effected unless the Company gives notice of the application to the transferee in the manner prescribed by the Act, and subject to the provisions of Articles hereof, the Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the Register the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.

Notice of transfer to registered holder

Before registering any transfer tendered for registration, the Company may, if it so thinks fit, give notice by letter posted in the ordinary course to the registered holder that such transfer deed has been lodged and that, unless objection is taken, the transfer will be registered and if such registered holder fails to lodge an objection in writing at the office of the Company within two weeks from the posting of such notice to him he shall be deemed to have admitted the validity of the said transfer.

In what case to decline to register transfer of shares

Subject to the provisions of Section 111 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, at their discretion and by giving reason, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstance that the proposed transferee is already a member of the Company but in such cases, the Directors shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company or any account whatsoever except when the Company has a lien on the shares However, no transfer of shares/debentures shall be refused on the ground of them not being held in marketable lots. Further provided that the registration of a transfer of share shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account.

When instrument of transfer to be retained

All instruments of transfer duly approved shall be retained by the Company and in case of refusal, instruments of transfer shall be returned to the person who lodges the transfer deeds.

Notice of refusal to register transfer

If the directors refuse to register the transfer of any shares, the Company shall, within one month from the date on which the instrument of transfer was lodged with the Company or intimation given, send to the transferor and the transferee or the person giving intimation of such transfer, notice of such refusal.

Transmission of registered shares

The executors or administrators or the holder of a succession certificate in respect of shares of a deceased member (not being one of several joint holders) shall be the only person whom the Company shall recognize as having any title to the shares registered in the name of such member and, in case of the death of any one or more of the joint-holders of any registered shares the survivors shall be only persons recognized by the Company as having any title to or interest In such share but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person. Before recognizing any legal representatives or heir or a person otherwise claiming title to the shares the Company may require him to obtain a grant of probate or letters of administration or succession certificate, or other legal representation, as the case may be from a competent court, provided nevertheless that in any case where the Board in its. absolute discretion think fit, it shall be lawful for the Board to dispense with production of probate or letters of administration or a succession certificate or such other legal representation upon such terms as to indemnify or otherwise as the Board may consider desirable.

As to transfer of shares of deceased or insolvent members

Any person becoming entitled to or to transfer shares in consequence of the death or deceased or insolvency of any member, upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of this title as the Directors think sufficient, may with the consent of the Directors (which they shall not be under any obligation to give), be registered as a member in respect of such shares or may, subject to the regulations as to transfer hereinbefore contained, transfer such shares. This Article is hereinafter referred to as “The transmission Article”. Subject to any other Transmission provision of these Articles if the person so Article becoming entitled to shares under this or the last proceeding Article shall elect to be registered as a member in respect of the share himself he shall deliver or sent to the Company a notice in writing signed by him stating that he so elects. If he shall elect to transfer to some other persons he shall execute an instrument of transfer of shares. All the limitations, restrictions and provisions of these Articles relating to the rights to transfer and the registration of transfers of shares shall be applicable to any such notice of transfer as aforesaid.

Rights of executors and trustees.

Subject to any other provisions of these Articles if the Directors in their sole discretion are satisfied in regard thereof, a person becoming entitled to a share in consequence of the death or insolvency of a member may receive and give a discharge for any dividends or other money payable in respect of the share.

Provisions of Articles relating to transfer applicable

The instrument of transfer shall be in writing and all the provisions of Section 108 of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and the registration thereof.

SHARE WARRANTS

Subject to the provisions of Sections 114 and 115 of the Act and subject to any directions which may be given by the Company in general meeting, the Board may issue share-warrants in such manner and on such terms and conditions as the Board may deem fit. In case of such issue Regulation 40 to 43 of Table 'A' in Schedule 1 to the Act, shall apply.

TERMS OF ISSUE OF DEBENTURES

Any debenture, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing allotment of shares and attending (but not voting) at general meetings, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in general meeting accorded by a special resolution.

ALTERATION OF CAPITAL

The Company may, subject to the provisions of section 94 of the Act, by ordinary resolution, from time to time, alter the condition of Memorandum of Association as follows:-

a) Increase the share capital by such amount to be divided into shares of such amounts as may be specified in the resolution.
b) Consolidate and divide all or any of its share capital into shares of larger amount than its existing snares.
c) Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association, so however, that in the sub division the proportion between the amount paid and the amount, if any unpaid on each reduced share shall be the same as it was in the share from which the reduced share is derived, and
d) Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the share so cancelled.

BORROWING POWERS

The Board may from time to time and at its discretion, subject to the provisions of Section 58 A, 292 and 293 of the Act, and regulation made thereunder and direction issued by the RBI raise or borrow, either from the Directors or from elsewhere and secure the payment of any sums or sum of money for the purpose of the Company.

Conditions on which money may be borrowed.

The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms arid conditions in all respects as it thinks fit, and in particular, by the issue of bonds, perpetual or redeemable debentures or debenture-stock, or any mortgage, or other security on the undertaking of the whole or part of the property of Company (both present and future), including its uncalled capital for the time being, provided that debentures with the rights to allotment of or conversion into shares shall not be issued except with the sanction of the Company in general meeting and subject to the provisions of the Act.

Issue at discount etc. special privileges.

Any debentures, debenture-stock, bonds or other securities may be issued at a discount, or with premium or otherwise and with any special privileges, as to redemption, surrender, drawings, allotment of shares, appointment of Directors and otherwise. Debentures, debenture-stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Instrument of transfer

Save as provided in Section 108 of the Act, no transfer of debenture shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of debentures.

If the Board refuses to register the transfer of any debentures, the Company shall, within two months from the date on which the instrument of transfer was lodged with the Company, send to the transferee and to the transferor notice of the refusal.

GENERAL MEETINGS

Extra ordinary general meeting call.

The Directors may, whenever they think fit, call an Extra Ordinary general meeting provided however if at any time there are not in India, directors capable of acting who are sufficient in number to form a quorum any Director present in India may call an Extra Ordinary general meeting in the same manner as nearly as possible as that in which such a meeting may be called by the Board.

Calling of Extra Ordinary general meeting on requisition

The Board of Directors of the Company shall on the requisition of such member or members of the Company as is specified in subsection (4) of Section 169 of the Act forth with proceed to call an Extra Ordinary general meeting of the Company and in respect of any such requisition and of any meeting to be called pursuant thereto, all the provisions of Section 169 of the Act and of any statutory modification thereof for the time being shall apply.

Quorum

The quorum for a general meeting shall be at least five members present in person.

Chairman

At every general meeting, the chair shall be taken by the chairman of the Board of Directors. If at any meeting, the chairman of the Board of Directors be not present within fifteen minutes after the time appointed for holding the meeting or, though present be unwilling to act as chairman, the members present shall choose one of the Directors present to be chairman or if no Director shall be present or though present shall be unwilling to take the chair then the members present shall choose one of their members, being a member entitled to vote to be chairman.

Sufficiency of ordinary resolutions.

Any act or resolution which, under the provisions of this Article or of the Act, is permitted shall be sufficiently so done or passed if effected by an ordinary resolution unless either the Act or the Articles specifically require such act to be done or resolution passed by a special resolution.

When in quorum be not present, meeting to be dissolved and when adjourned

If within half an hour from the time appointed for the meeting a quorum be not present, the meeting, if convened upon a requisition of share holders shall be dissolved but in any other case it shall stand adjourned to the same day in the next week at same time and place, unless the same shall be public holiday when the meeting shall stand adjourned to the next day not being a public holiday at the same time and place and if at such adjourned meeting a quorum be not present within half an hour from the time appointed for the meeting, those members who are present and not being less than two persons shall be a quorum and may transact the business for which the meeting was called.

Power to adjourn general meeting

The chairman of a general meeting may adjourn the same, from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. It shall not be necessary to give notice to the members of such adjournment or of the time, date and place appointed for the holding of the adjourned meeting.

Business may proceed not withstanding demand of poll

If a poll be demanded, the demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

VOTES OF MEMBERS

Vote of members

a) On a show of hands every member present in person and being a holder of Equity Shares shall have one vote and every person present either as a proxy on behalf of a holder of Equity Shares or as a duly authorised representative of a body corporate being a holder of Equity shares, if he is not entitled to vote in his own right, shall have one vote.
b) On a poll the voting rights of a holder of Equity shares shall be as specified in Section 87 of the Act.
c) The voting rights of the holders of the preference shares including the redeemable cumulative preference shares shall be in accordance with the Provisions of Section 87 of the Act.
d) No company or body corporate shall vote by proxy so long as a resolution of its Board of Directors under Section 187 of the Act is in force and the representative named in such resolution is present at the general meeting at which the vote by proxy is tendered.

Votes in respect of deceased, insolvent and insane members

A person becoming entitled to a share shall not before being registered as member in respect of the share be entitled to exercise in respect thereof any right conferred by membership in relation to the meeting of the Company. If any member be a lunatic or idiot, he may vote whether on a show of hands or at a poll by his committee or other legal curator and such last mentioned persons may give their votes by proxy provided twenty four hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which any such person proposes to vote he shall satisfy the Board of his rights under this Article unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

Joint Holders

Whether there are joint holders of any share any one of such persons may vote at any meeting either personally or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting either personally or by proxy then that one of the said persons so present whose name stands prior in order on the register in respect of such share shall alone be entitled to vote in respect thereof. Several executor or administrators of deceased member in whose name any share stands shall for the purpose of this Article be deemed joint-holders thereof.

Instrument appointing proxy to be in writing

The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or if such appointer is a corporation under its common seal or the hands of its attorney.

Instrument appointing proxy to be deposited at the office.

The instrument appointing a proxy and the power-of-attorney or other authority (if any) under which it is signed or a notarised copy of that power of authority shall be deposited at the office not less than forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid.

When vote by proxy valid through authority revoked

A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the instrument of transfer of the share in respect of which the vote is given. Provided no intimation in writing of the death, insanity, revocation of transfer of the share shall have been received at the office or by the chairman of the meeting before the vote is given. Provided nevertheless that the Chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked.

Form of instrument appointing proxy
Every instrument appointing a proxy shall as nearly as circumstances will admit, be in the form set out in Schedule IX to the Act.

Validity of vote

No objection shall be taken to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote not disallowed at such meeting or poll and whether given personally or by proxy or otherwise shall be deemed valid for all purposes.

Restrictions on voting

Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the Meeting on his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and fulfilling the requirements as laid down in Section 179 of the Act, for the time being in force. No member shall be entitled to exercise any voting rights either personally or by proxy at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has and has exercised any right or lien.

DIRECTORS; GENERAL PROVISIONS

Numbers of Directors

The number of Directors shall not be less than three and not more than 12 (Twelve).

Share qualification of Directors

A Director shall not be required to hold any share qualification.

Nominee Directors

The Company shall, subject to the provisions of the Act, be entitled to agree with any person, firm or corporation that he or it shall have the right to appoint his or its nominee on the Board of Directors of the Company upon such terms and conditions as the Company may deem fit. The Corporation, firm or person shall be entitled, from time to time, to remove any such Director or Directors and appoint another or others in his or their places. He shall be entitled to the same rights and privileges and be subject to the same obligation as any other director of the Company.

Alternate Directors

Subject to the provisions of Section 313 of the Act, the Board may appoint any person to act as an alternate director for a director during the latter's absence for a period of not less than three months from the State in which meetings of the Board are ordinarily held and such appointment shall have effect and such appointee, whilst he holds office as an alternate director, shall be entitled to notice of meetings of the Board and to attend and vote there at accordingly but he shall ipso facto vacate office if and when the absent director returns to State in which meetings of the Board are ordinarily held or the absent Director vacates office as a Director.

Meetings of Directors

The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit. Notice in writing of every meeting of the Directors shall ordinarily be given by a Director or such other officer of the Company duly authorised in this behalf to every Director for the time being in India, and at his usual address in India to every other Director.

Quorum

The quorum for a meeting of the Directors shall be determined, from time to time, in accordance with the provisions of section 287 of the Act. If a quorum shall not be present within fifteen minutes from the time appointed for holding a meeting of the Directors, it shall be adjourned until such date and time as the Directors present shall appoint.

MANAGING DIRECTOR

Remuneration of Managing Director

Subject to the provisions of Sections 198, 309, 310, 311 and Schedule XIII of the Act, a managing director shall, in addition to the remuneration payable to him as a Director of the Company under the Articles, receive such additional remunerations as may, from time to time, be sanctioned by the Company.

DIVIDENDS

How profits shall be divisible

Subject to rights of members entitled to shares (if any) with preferential or special rights attached to them, the profits of the Company, from time to time, determined to be distributed as dividend in respect of any year or other period shall be applied for payment of dividend on the shares in proportion to the amount of capital paid-up on the shares provided that unless the Board otherwise determines all dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid-up on the shares during any portion or portions of the period in respect of which dividend is paid. Provided always that subject as aforesaid any capital paid-up on a share during the period in respect of which a dividend is declared shall (unless the Board otherwise determines or the terms of issue otherwise provide, as the case may be), only entitle the holder of such share to an apportioned amount of such dividend as from the date of payment but so that where capital is paid-up in advance of calls such capital shall not confer a right to participate in profits.

Declaration of Dividends

The Company in general meeting may declare a dividend to be paid to the members according to their rights and interest in the profits and may subject to the provisions of Section 205 of the Act, fix the time for payment.

Restrictions of amount of dividends

No larger dividend shall be declared than is recommended by the Directors, but the Company in general meeting may declare a smaller Dividend.

Dividend out of profit only

No dividend shall be payable except out of the profits of the Company of the year or any other undistributed pronto and no dividend shall carry interest as against the Company.

What to be deemed net profits.

The declaration of the directors as to the amount of the net profits in the audited annual accounts of the Company for any year shall be conclusive.

Interim dividends

The Directors may, from time to time, pay to the members such interim dividends as in their judgment the position of the Company justifies.

Debts may be deducted

The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists, subject to Section 205A of the Act.
A Transfer of shares shall not pass the rights to any dividend declared thereon before the registration of the transfer.

Retention in certain cases

Subject to Section 205-A of the Act, the Directors may retain the dividends payable upon shares in respect of which any person is under the transmission Article entitled to become a member or which any person under the Article is entitled to transfer until such person shall duly become a member in respect thereof or shall transfer the same.

Dividend to joint holders

Any one of the several persons who are registered as joint holders of any share may give effectual receipts of all dividend payments on account of dividends in respect of such shares.

When payments good discharge

The payment of every cheque or warrant sent under the provisions of the last preceding Article shall, if such cheque or warrant purports to be duly endorsed, be a good discharge to the Company in respect thereof, provided nevertheless that the Company shall not be responsible for the loss of any cheque, warrant or postal money order which shall be sent by post to any member or by his order to any other person in respect of any dividend.
Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the fund known as the "Investor Education and Protection Fund", established under Section 205C of the Act. A claim to any money so transferred may be preferred to the Central Government by the shareholders to whom the money is due.

Any dividend remaining unpaid or unclaimed after having been declared shall be dealt in accordance with Sections 205A and 205B of the Act and Rules made thereunder.

No unclaimed dividend shall be forfeited by the Board and the Company shall comply with the provisions of section 205-A of the Act and rules made thereunder in respect of such dividend.

Where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called 'Repco Home Finance Limited Unpaid Dividend Account' and transfer to the said account, the total, amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.

AGREEMENT AND AMENDMENT AGREEMENT

Notwithstanding anything to the contrary contained in these Articles, the following provisions shall survive listing of the Equity Shares of the Company pursuant to a QIPO/IPO:

a) the provisions of, Clause 3 (Amendments to the Agreement) Clause 4 (Voting Rights), Clause 5 (Transfer of shares by Investors and Co-Investors), Clause 6 (Promoters Right of First Refusal) and Clause 9 (Overriding Provisions) of the Amendment Agreement;

b) the provisions of Clause 11.2, Clause 11.3, Clause 11.4, Clause 11.5, Clause 11.6 and Clause 11.13 of the Agreement;

c) the provisions of Clause 15 (Indemnification) of the Agreement;

d) the provisions of Clause 17.1 (Confidentiality) of and Clause 22 (Governing Law and Dispute Resolution) the Agreement; and

e) At least two Investor Directors shall be nominated by the Investor. Provided that in the event the shareholding of the Investor falls below 20% of the total paid-up capital of the Company on a Fully Diluted Basis but is greater than 7.5% of the total paid-up capital of the Company on a Fully Diluted Basis, the Investor shall be entitled to nominate only one Investor Director on the Board. The Investor shall relinquish its right to appoint at least one Investor Director on the Board should the Investor's holding in the Company fall below 7.5% of the total paid-up capital of the Company on a Fully Diluted Basis. For the purpose of this Article, the terms "Investor Director" and "Fully Diluted Basis" shall have the meanings assigned to them under the Agreement.

VOTING RIGHTS

a) In consideration of the obligations undertaken by the Promoter to complete an initial public offer of the Company on or before September 30, 2011, or such other date as may agreed in writing between the Promoter, the Investor and the Company, the Investor agrees to give to the Promoter voting rights in respect of such number of their Equity Shares in the Company as will ensure that the Promoter is entitled to exercise voting rights to the extent of 51% of the total voting rights of the Company.

b) In order to effect Article 148.1, the Investor shall:
   i. simultaneously with the execution of the Amendment Agreement but taking effect from the filing of the RHP, execute and deliver a power of attorney ("**PoA**") in favour of the Promoter, authorizing the Promoter to exercise voting rights at any general meeting to be held after the Listing Date in respect of 8,980,669 Equity Shares ("**Voting Shares**")**.**
   ii. within forty five (45) days from the execution of the PoA, and subject to applicable Law, transfer to and maintain in a separate account with a depository participant the Voting Shares.

c) The PoA shall be executed substantially in the form annexed as Annexure 2 to the Amendment Agreement and shall authorize the Promoter to exercise voting rights in respect of the Voting Shares on all matters except the following:
   i. Any proposal to alter or change the rights, preferences or privileges of the Equity Shares, or create (by reclassification, bonus issue, rights issue or otherwise) any new class or series of shares having rights, preferences or privileges senior to or on a parity with the Equity Shares;
   ii. Any proposal to increase, decrease or other alteration or modification in authorized or issued share capital, or creation or issue of securities (including equity shares, preference shares, non-voting shares, warrants, options, etc.) or any instrument/loans convertible into equity;
   iii. Any proposal of merger, acquisition or consolidation by or of the Company;
   iv. Any proposal of liquidation, dissolution, disposition, sale, license, creation of any encumbrance or transfer of all or substantially all of the assets of the Company;
   v. Any recapitalization, reclassification, split-off, spin-off or bankruptcy of the Company;
   vi. Any strategic purchase by the Company of equity interest in any company, business interests or assets;
   vii. Any proposal to engage in any business materially different from that described in the then current business plan of the Company; and
   viii. Any act or commitment to do any of the foregoing.

TRANSFER OF SHARES BY INVESTORS AND CO-INVESTORS

Subject to Article 150 (Promoters' Right of First Refusal) below, the Investor and the Co-Investors shall make best endeavours to transfer their entire shareholding in the Company within a period of five years from the Listing Date.

PROMOTER'S RIGHT OF FIRST REFUSAL

a) With effect from the Listing Date, in the event that the Investor or the Co Investors ("**Transferring Party**") are desirous of transferring any of the Equity Shares held by them in the Company and the shareholding in the Company of the Promoter prior to such proposed Transfer is less than 51% of paid-up equity share capital of the Company, the Transferring Party shall send a written notice ("**ROFR Offer Notice**") to the Promoter indicating the total number of Equity Shares that are proposed to be sold ("**ROFR Offer Shares**"). Provided however, the ROFR Offer Notice shall only be sent in respect of such number of ROFR Offer Shares as would enable the Promoter to increase its shareholding in the Company to 51% of the paid-up share capital of the Company and the Transferring Party shall be free to Transfer the remaining shares held by them without issuance of the ROFR Offer Notice subject to the other provisions of these Articles.

b) For the purpose of Article 150.1 above, in computing the threshold of 51% of the paid-up Equity Shares of the Company, the shareholding of any Governmental Authority or entities owned or controlled by any Governmental Authority and that of the Promoter will be taken into account. In the event that such shareholding is in excess of 51% of the paid-up Equity Shares of the Company, the Transferring Party shall be free to Transfer the remaining shares held by them without issuance of the ROFR Offer Notice subject to the other provisions of these Articles. Within a period of two (2) working days of each receipt of the register of beneficial owners from the relevant depository, the company secretary of the Company shall provide the same to the Promoter and the Investor along with a certificate of the level of shareholding of Governmental Authorities and of entities owned or controlled by any Governmental Authority in order to enable the Parties to ascertain their rights in relation to the level of such shareholding under various provisions of these Articles. It is hereby clarified that pursuant to the receipt of the register of beneficial owners, in the event the shareholding of Promoter, Governmental Authorities and of entities owned or controlled by any Governmental Authority is below 51% of the paid-up Equity Share capital of the Company, the provisions of this Article 150 shall apply and not otherwise.

c) Upon issuance of the ROFR Offer Notice, the Transferring Party shall be entitled to Transfer the ROFR Offer Shares at any time after fifteen (15) days from the date of receipt of the ROFR Offer Notice but within ten (10) trading days from the date of expiry of the said fifteen (15) day period ("**Trading Window**") in accordance with this Article 150 (Promoters Right of First Refusal) by issuing a notice in writing to the Promoter ("**Transfer Notice**").

d) Within twenty four (24) hours ("**ROFR Offer Period**") from the date of receipt of the Transfer Notice, the Promoter may communicate in writing its intent to purchase all, or part, of the ROFR Offer Shares either by themselves or their nominees. In the event that the Promoter accepts such offer, such sale of ROFR Offer Shares to the Promoter or its nominees, as the case may be, shall be effected within one (1) trading day following the date of such acceptance at the closing price as of the trading date one day prior to the date when such sale of ROFR Offer Shares is effected in accordance with the applicable regulations ("**Closing Period**").

e) In the event that such offer is not accepted by the Promoter within the aforesaid ROFR Offer Period, or in the event that the Promoter or its nominees do not complete the acquisition of the ROFR Offer Shares within the Closing Period, the Transferring Party shall be entitled to sell the ROFR Offer Shares to any third party at the then prevailing market price on any trading day within the Trading Window.

f) In the event that the ROFR Offer Shares in respect of which a ROFR Offer Notice has been issued are not Transferred in accordance with this Article 150 (Promoters Right of First Refusal) during the relevant Trading Window, any Transfer of such ROFR Offer Shares shall again be subject to the provisions of this Article 150 (Promoters Right of First Refusal). Each Party shall act in good faith to obtain all consents and approvals that may be required to be obtained by such Party for Transfer of the ROFR Offer Shares.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of the Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus, to be delivered to the RoC for registration, and also the documents for inspection referred to hereunder, may be inspected at our Registered Office from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

Material Contracts to the Issue

1. Issue Agreement dated September 29, 2011 between our Company and the BRLMs, as amended by the addendum agreement dated February 13, 2013.

2. Agreement dated September 28, 2011 between our Company and the Registrar to the Issue.

3. Escrow Agreement dated [•], 2013 amongst our Company and the BRLMs, the Escrow Collection Banks, the Refund Banks, the Public Issue Account Banks, the Syndicate Members and the Registrar to the Issue.

4. Syndicate Agreement dated [•], 2013 amongst our Company, the BRLMs, the Registrar to the Issue and the Syndicate Members.

5. Underwriting Agreement dated [•], 2013 amongst our Company, the BRLMs and the Syndicate Members.

6. Agreement dated January 15, 2013 between NSDL, our Company and Karvy Computershare Private Limited.

7. Agreement dated May 14, 2012 between CDSL, our Company and Karvy Computershare Private Limited.

Material Documents

1. Memorandum and Articles, as amended till date.

2. Our certificate of incorporation.

3. Our certificate of commencement of business.

4. Certification of registration of our Company with the National Housing Bank dated May 24, 2002.

5. Resolution of the Board dated September 13, 2011 authorising the Issue, subject to the approval of the shareholders of our Company, and such other authorities as may be necessary.

6. Resolution of the shareholders of our Company dated September 13, 2011, under Section 81(1A) of the Companies Act, authorising the Issue.

7. Resolution of the Board and the IPO Committee approving this Red Herring Prospectus dated February 4, 2013 and March 4, 2013, respectively.

8. Resolution of the Board dated December 3, 2010 and of the shareholders dated December 27, 2010 for appointment of Mr. R. Varadarajan, managing director of our Company.

9. Auditor’s report on the restated financial statements dated February 4, 2013 prepared as per Indian GAAP and mentioned in the Financial Statements appearing on page F-1 and F-2.

10. Statement of tax benefits, as provided by the Auditor, dated January 30, 2013.

11. Copies of annual reports of our Company for Fiscals 2008, 2009, 2010, 2011 and 2012.

12. Consent of the Auditor for (i) inclusion of their reports on audited and restated financial statements for the Fiscals 2008, 2009, 2010, 2011 and 2012 and the half year ended September 30, 2011 and 2012 and of the Statement of Tax Benefits, in the form and context in which they appear in this Red Herring Prospectus; and (ii) to be named as "experts" in this Red Herring Prospectus.

13. The grading rationale by ICRA Limited, the IPO Grading Agency, and their consent for inclusion of their IPO grading report, in the form and context in which they will appear in this Red Herring Prospectus.

14. Consents of Bankers to our Company, BRLMs, Syndicate Members, Registrar to the Issue, Escrow Collection Banks, domestic legal counsel to the Issuer, domestic legal counsel to the Underwriters, the Directors, Company Secretary and Compliance Officer, as referred to, in their respective capacities.

15. SEBI observation letter no. CFD/DIL-1/SD/18659/2012 dated August 21, 2012.

16. In-principle listing approvals dated October 24, 2011 and November 4, 2011 received from the NSE and the BSE, respectively.

17. Approval from the NHB dated September 24, 2011.

18. Approval letter dated March 17, 2011 from the Ministry of Home Affairs, Government of India.

19. Due diligence certificate dated September 30, 2011 to SEBI from the BRLMs.

20. The Share Purchase, Share Subscription and Shareholders Agreement dated December 28, 2007 between, *inter-alia*, Carlyle, our Company and Repco Bank Limited, as amended on March 18, 2011, May 5, 2011, September 28, 2011, March 29, 2012 and September 29, 2012.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders and subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act and the guidelines and regulations issued by the Government of India and the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SEBI Act, rules, guidelines or regulations, made or issued there-under, as the case may be and that all approvals and permissions required to carry on our business have been obtained, are currently valid and have been complied with.

We further certify that all statements in this Red Herring Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

Mr. T.S. Krishna Murthy *(Chairman, Non Executive and Independent Director)*	**Mr. S.C.Panda** *(Non Executive and Non Independent Director)*
Mr. K. Deenabandhu *(Non Executive and Non Independent Director)*	**Mr. Thomas Paul Diamond** *(Non Executive and Independent Director)* T. Paul Diamond
Mr. G.R. Sundaravadivel *(Non Executive and Independent Director)*	**Mr. V. Nadanasabapathy** *(Non Executive and Independent Director)*
Mr. C. Thangaraju *(Non Executive and Non Independent Director)*	**Mr. Madhava Menon Shankar Narayanan** *(Non Executive and Non Independent Director)*
Mr. Mahesh Parasuraman *(Non Executive and Non Independent Director)*	**Mr. R. Varadarajan** *(Managing Director)*

SIGNED BY OUR COMPANY SECRETARY AND COMPLIANCE OFFICER AND OUR HEAD OF FINANCE

Mr. K. Prabhu *(Company Secretary and Compliance Officer)* K Prabhu	**Mr. T. Karunakaran** *(Deputy General Manager, Accounts)*

DATE: MARCH 4, 2013
PLACE: CHENNAI

ICRA Limited
An Associate of Moody's Investors Service

To,
Repco Home Finance Limited
Repco Tower,
33, North Usman Road,
T. Nagar,
Chennai-600 017
Dear Sirs,

January 30, 2013

Dear Sir,

Proposed Initial Public Offering (the "**Issue**") of equity shares (the "**Equity Shares**") by Repco Home Finance Limited (the "**Company**")

We, the undersigned, hereby consent to act as Credit Rating Agency that has provided the IPO Grading for the captioned IPO and to our name being inserted as the Credit Rating Agency providing the IPO Grading in the Draft Red Herring Prospectus to be filed with Securities Exchange Board of India (SEBI), the Red Herring Prospectus and the Prospectus which the Company intends to file with Registrar of Companies, SEBI and the stock exchanges, in respect of the proposed Initial Public Offer. We also authorise you to deliver a copy of this letter of consent to the Registrar of Companies pursuant to the provisions of Section 60 and 60B of the Companies Act, 1956. The consent to be named as an expert is limited solely to the IPO Grading in the form in which it is issued by us without any modification whatsoever to the same. The consent does not purport to cover any other reports or information attributable to us that you may intend to include in the Prospectus, in which case, a separate consent may be obtained from us in respect of such statements for such inclusion in the Prospectus.

Furthermore, we consent to the inclusion of the following extract in the abovementioned offer documents or any other documents issued in connection with the Issue:

"*ICRA has assigned an 'IPO Grade 3', indicating average fundamentals, to the proposed initial public offering of the Company. ICRA assigns IPO grading on a scale of IPO Grade 5 to IPO Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals.*"

We further consent to the inclusion of our grading perspective (along with it, rationale) dated January 21, 2013 and its inclusion in the section titled "Material Contracts and Documents Available for Inspection" in the abovementioned offer documents or any other documents issued in connection with the Issue.

We further confirm that the following information in relation to us is true and correct and consent to the disclosure of such information in the abovementioned offer documents or any other documents issued in connection with the Issue:

Name: ICRA Limited
Address: Karumuthu Centre, 5th Floor, 634 Anna Salai, Nandanam, Chennai-600 035
Telephone number: 044-45964300
Fax number: 044-24343663
E-mail: ravichandran@icraindia.com
Contact Person: K. Ravichandran
Website: www.icra.in
SEBI Registration Number: IN/CRA/003/1999

We confirm that we are registered with the SEBI and that our registration is valid as on date of this letter and that we have not been prohibited by SEBI to act as a Grading Agency in capital market issues. We hereby enclose a copy of our registration certificate.

Yours faithfully,
For ICRA LTD

K. Ravichandran
Senior Vice President and Co- Head, Corporate Ratings
Encl.: As above

Repco Home Finance Limited

ICRA has assigned an 'IPO Grade 3', indicating average fundamentals, to the proposed initial public offering of Repco Home Finance Limited ("RHFL"/ "The Company"). ICRA assigns IPO grading on a scale of IPO Grade 5 to IPO Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals.

The assigned grading factors in the long term favourable demand outlook for mortgage loans in India due to currently low penetration levels and, RHFL's established position in the South Indian housing finance market in a niche customer segment. With a sizeable share of its branches in Tier-II and Tier-III cities, RHFL focuses on the largely under-penetrated customer segment, both salaried and self-employed, which has helped the company grow profitably so far. Notwithstanding its recent initiatives to expand to newer markets, RHFL is concentrated largely in South India (98% of the portfolio in March 2012) exposing it to competitive pressures thus limiting the scope for scale and margin expansion at least over the medium term. Further, a sizeable proportion of the company's loans are to the self-employed segment, which is largely credit untested and could be vulnerable to adverse economic cycles. As a result of this, 30+ delinquencies are relatively high at 14.8% as on September 30, 2012, however 90+ delinquencies remain under control at 2.1%. The grading also takes note of the currently subdued operating environment, which exerts pressure on the business growth, profitability and asset quality of all housing finance companies (HFCs) including RHFL. However, the company experienced management team and its systems which are developed and pruned over the years of operations provide comfort to an extent. The company is faced with a deteriorating trend in its profitability and its asset quality indicators over the last two-three financial years. RHFL's profitability indicator nevertheless continues to remain healthy (ROE 22.3% in fiscal 2012) vis-à-vis industry standards and, it currently has a comfortable capitalization profile (gearing 8.3 times in March 2012). ICRA however notes that ability of the company to diversify its funding profile, which is presently highly concentrated and, to efficiently expand its operations in newer geographies is yet to be established, which is critical for its future business growth and to maintain a healthy financial profile.

Company profile
Established in the year 2000 as a wholly owned subsidiary of Repco Bank Limited (Repco Bank), RHFL is a housing finance company based in Chennai with a network of 68 branches and 20 centres (As on March 31, 2012) across Tamil Nadu, Karnataka, Andhra Pradesh, Kerala, Maharashtra, Gujarat, Orissa and the Union Territory of Puducherry. In December 2007, the Carlyle Group[*], through its Asian arm – Carlyle Asia Growth Fund – infused Rs. 76 crore equity into RHFL for a 49.98% stake in the company. As of March 31, 2012, RHFL had a loan portfolio of Rs. 2,804 crore and reported a net profit of Rs. 61 crore on a total income of Rs. 319 crore for the year ended on that date compared to a net profit of Rs. 58 crore on a total income of Rs. 226 crore, in fiscal 2011.

Recent Results
During the half year ended September 30, 2012, the company reported a net profit of Rs. 36 crore on a total loan portfolio of Rs. 3,098 crore as on that date as compared to a net profit of Rs. 25 crore on a total loan portfolio of Rs. 2,431 crore for the half year ended September 30, 2011.

December 2012

For further details please contact:
Analyst Contacts:
Ms. Vibha Batra (Tel. No. +91-22-30470028)
karthiks@icraindia.com

Relationship Contacts:
Mr. Jayanta Chatterjee (Tel. No. +91-80-43326401/ 098 450 22459)
jayantac@icraindia.com

[*] Refers to First Carlyle Growth VI and its nominees

Registered Office
ICRA Limited
195, Kailash Building, 11th Floor, 96, Kasturba Gandhi Marg, New Delhi 19001
Tel: +91-11-93357940-50, Fax: +91-11-93357014

Corporate Office
Mr. Vivek Mathur
Mobile: **9871221122**
Email: vivek@icraindia.com

Building No. 8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon 199009
Ph: +91-124-4545310 (D), 4545300 / 4545800 (B) Fax; +91- 124-4050424

Mumbai **Mr. L. Shivakumar** Mobile: **9821086490** Email: shivakumar@icraindia.com 3rd Floor, Electric Mansion, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 095 Ph : +91-99-9433 946/ 953/ 969/ 974/ 986/ 987 Fax : +91-99-9433 1390	**Kolkata** **Mr. Jayanta Roy** Mobile: **+91 9903394664** Email: jayanta@icraindia.com A-10 & 11, 3rd Floor, FMC Fortuna 234/3A, A.J.C. Bose Road Kolkata—700020 Tel +91-33-22876617/8839 22800008/22831411, Fax +91-33-22870728
Chennai **Mr. Jayanta Chatterjee** Mobile: **9845022459** Email: jayantac@icraindia.com 5th Floor, Karumuttu Centre, 498 Anna Salai, Nandanam, Chennai-600035. Tel + (91 44) 45964300, Fax + (91 44) 9434 3663	**Bangalore** **Mr. Jayanta Chatterjee** Mobile: **9845022459** Email: jayantac@icraindia.com 'The Millenia', Tower B, Unit No. 904, 9th Floor, Level 9, 19-14, 1 & 9, Murphy Road, Bangalore - 560 008 Tel:91-80- 43396400 Fax:91-80-43396409
Ahmedabad **Mr. L. Shivakumar** Mobile: **989986490** Email: shivakumar@icraindia.com 907 & 908 Sakar -II, Ellisbridge, Ahmedabad- 380006 Tel: +91-79-26585049, 26585494,26584924 Fax: +91-79-25569231	**Pune** **Mr. L. Shivakumar** Mobile: **989986490** Email: shivakumar@icraindia.com 5A, 5th Floor, Symphony, S.No. 210, CTS 3202, Range Hills Road, Shivajinagar,Pune-411 020 Tel: + 91-20-25561194-25560196; Fax : +91-20-25561231
Hyderabad **Mr. Jayanta Chatterjee** Mobile: **9845022459** Email: jayantac@icraindia.com 4th Floor, Shobhan, 6-3-927/A&B. Somajiguda, Raj Bhavan Road, Hyderabad—500082 Tel: +91-40-9373 5061 /7951 Fax: +91-40- 9373 5159	

REPCO HOME FINANCE LIMITED

Issue Details

Repco Home Finance Limited (RHFL) is proposing to come out with an Initial Public Offer (IPO) for a fresh issue of 1,57,20,262 equity shares with a face value of Rs. 10/- each. The issue is being made through the 100% book building process wherein not more than 50% of the net issue (the issue less the employee reservation portion of 1,80,000 equity shares) would be available for allotment on a proportionate basis to qualified institutional buyers. Further, not less than 15% of the net issue would be available for allotment on a proportionate basis to non-institutional bidders and not less than 35% of the net issue would be available for allotment on a proportionate basis to retail individual bidders, subject to valid bids being received at or above the issue price. Post IPO, the shares will be listed on the National Stock Exchange and Bombay Stock Exchange.

Proposed Use of IPO Proceeds

The company intends to use the net proceeds (issue proceeds net of issue related expenses) for augmenting its capital base to meet its future growth related capital requirements.

Relationship Contact

Jayanta Chatterjee
jayantac@icraindia.com
+91-80-4332 6400

Analyst Contact

Vibha Batra
vibha@icraindia.com
+91-0124-4545302

Avinash P
avinashp@icraindia.com
+91-44-4596 4311

A M Karthik
a.karthik@icraindia.com
+91-44-4596 4308

Website:
www.icra.in

IPO Grading

ICRA has assigned an 'IPO Grade 3', indicating average fundamentals, to the proposed initial public offering of Repco Home Finance Limited ("RHFL"/ "The Company"). ICRA assigns IPO grading on a scale of IPO Grade 5 to IPO Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals.

An ICRA IPO Grade is a symbolic representation of ICRA's current assessment of the fundamentals of the issuer concerned. The fundamental factors assessed include, inter alia, business and competitive position, financial position and prospects, management quality, corporate governance and history of compliance and litigation.

Strengths

- Favourable long term demand outlook for mortgage loans due to low penetration of housing finance in India as compared to the developed economies
- RHFL's established presence in the housing finance market in South India, especially in Tier-II and Tier-III cities, for over a decade focussing on a niche customer segment
- Experience of the management team and, their long standing association with the company
- Healthy profitability indicators, notwithstanding some moderation witnessed in the recent past

Concerns

- Concentrated resource/funding profile with 48% funding from NHB, 52% from banks
- Modest and regionally concentrated nature of business (largely in South India), which exposes the company to competitive pressures; limiting the scope of margin and scale expansion
- Susceptibility to adverse regulatory changes, which could impact the overall business and financial profile of the company
- Currently subdued business environment, which coupled with high interest rates, notwithstanding some correction in the recent past, exerts pressure on business growth and profitability
- Sizeable exposure to self employed segment; could exert pressure on the company's asset quality under unfavourable economic conditions

Grading Rationale

The assigned grading factors in the long term favourable demand outlook for mortgage loans in India due to currently low penetration levels and, RHFL's established position in the South Indian housing finance market in a niche customer segment. With a sizeable share of its branches in Tier-II and Tier-III cities, RHFL focuses on the largely under-penetrated customer segment, both salaried and self-employed, which has helped the company grow profitably so far. Notwithstanding its recent initiatives to expand to newer markets, RHFL is concentrated largely in South India (98% of the portfolio in March 2012) exposing it to competitive pressures thus limiting the scope for scale and margin expansion at least over the medium term. Further, a sizeable proportion of the company's loans are to the self-employed segment, which is largely credit untested and could be vulnerable to adverse economic cycles. As a result of this, 30+ delinquencies are relatively high at 14.8% as on September 30, 2012, however 90+ delinquencies remain under control at 2.1%. The grading also takes note of the currently subdued operating environment, which exerts pressure on the business growth, profitability and asset quality of all housing finance companies (HFCs) including RHFL. However, the company experienced management team and its systems which are developed and pruned over the years of operations provide comfort to an extent. The company is faced with a deteriorating trend in its profitability and its asset quality indicators over the last two-three financial years. RHFL's profitability indicator nevertheless continues to remain healthy (ROE 22.3% in fiscal 2012) vis-à-vis industry standards and, it currently has a comfortable capitalization profile (gearing 8.3 times in March 2012). ICRA however notes that ability of the company to diversify its funding profile, which is presently highly concentrated and, to efficiently expand its operations in newer geographies is yet to be established, which is critical for its future business growth and to maintain a healthy financial profile.

Company Profile

Established in the year 2000 as a wholly owned subsidiary of Repco Bank Limited (Repco Bank), RHFL is a housing finance company based in Chennai with a network of 68 branches and 20 centres (As on March 31, 2012) across Tamil Nadu, Karnataka, Andhra Pradesh, Kerala, Maharashtra, Gujarat, Orissa and the Union Territory of Puducherry. In December 2007, the Carlyle Group[1], through its Asian arm – Carlyle Asia Growth Fund – infused Rs. 76 crore equity into RHFL for a 49.98% stake in the company. As of March 31, 2012, RHFL had a loan portfolio of Rs. 2,804 crore and reported a net profit of Rs. 61 crore on a total income of Rs. 319 crore for the year ended on that date compared to a net profit of Rs. 58 crore on a total income of Rs. 226 crore, in fiscal 2011.

[1] Refers to First Carlyle Growth VI and its nominees

Recent Results

During the half year ended September 30, 2012, the company reported a net profit of Rs. 36 crore on a total loan portfolio of Rs. 3,098 crore as on that date as compared to a net profit of Rs. 25 crore on a total loan portfolio of Rs. 2,431 crore for the half year ended September 30, 2011.

Promoters and Management

Particulars	**Pre-IPO shareholding**	**Post-IPO shareholding**
Repco Bank Limited- Promoter	50.02%	37.37%
Carlyle Group:	49.98%	37.34%
First Carlyle Growth VI	*49.70%*	*37.13%*
Mr. Madhava Menon Shankar Narayanan – Director	*0.25%*	*0.19%*
Other Individuals	*0.03%*	*0.02%*
Public	0.00%	25.29%
Total (A)+(B)	**100.00%**	**100.00%**

Source: Company

RHFL is promoted by Repco Bank Limited (Repco Bank), which currently holds about 50.02% equity shareholding in the company. Repco Bank is a GOI owned Cooperative Bank established in the year 1969 to help and promote the rehabilitation of repatriates from Sri Lanka, Myanmar, Vietnam and other countries. Repco Bank's operations are largely in the four South Indian states and in the Union Territory of Puducherry. During 2011-12, Repco Bank reported a net profit of Rs. 73 crore on a total asset base of Rs. 4,875 crore vis a vis a net profit of Rs. 56 crore on a total asset base of Rs. 3,654 crore in 2010-11.

During 2007-08, Carlyle Group infused about Rs. 76 crore into the company in the form of equity and CCPS. The CCPS were converted to equity shares in July 2009. As on September 30, 2012, Carlyle group owns about 49.98% equity shares in RHFL.

Mr. R. Varadarajan is the Managing Director of RHFL and Repco Bank and, is actively involved in providing an overall strategic and operational direction to the company. The Board of Directors are from diverse fields and have considerable experience with various Government institutions, banks and other financial institutions. Most of the key management personnel have been associated with the company for more than 5 years and have experience in the housing finance business and banking services.

Corporate Governance

RHFL has a 10 member Board, which includes a Non-Executive Chairman, the Managing Director, and 8 Non-Executive Directors, including 2 representatives from Carlyle. Of the total board strength of 10, 4 Directors are independent. The constitution of the Board is in compliance with Clause 49 of the Listing Agreement. The company has also constituted the following committees: Audit Committee, Shareholders Grievance Committee, Remuneration Committee, IPO Committee, Management Committee and Compensation Committee.

Business and Competitive Position

Low housing finance penetration provides a favourable growth outlook

Housing finance penetration in India presently is low at about 7%, and it has remained stagnant at the current levels for about five years now. Low housing finance penetration, on the back of a favourable demographic profile, changing social fabric (urbanisation and nuclearisation of the family system) and, incentives (tax benefits) for house buyers provide a favourable view on the long term growth prospects for housing finance business in the country. However, the faster pace of increase in the property prices vis a vis income levels, high interest rates and inflation levels have impacted affordability.

Increase in the market share of HFCs over the recent past; however banks are expected to hold a sizeable share of the market

The total estimated housing credit outstanding in India as on March 31, 2012 was at over Rs. 6.26 lakh crore as against Rs. 5.35 lakh crore as on March 31, 2011, a growth of about 17%. HFCs and Non Banking Finance Companies (NBFCs) grew at about 28% during 2011-12, while scheduled commercial banks (SCBs) reported a 12% growth in their housing loan portfolio during the same period. Consequently, the share of HFCs and NBFCs in the housing finance market increased from about 32% in March 2011 to about 35% in March 2012. HFCs and NBFCs are likely to witness an increase their market share going forward on the strength of their focused approach and a comparatively superior service level; however SCBs are expected to hold a sizeable share in the housing finance market, on the strength of their extensive branch network, a broad customer base, access to low cost funds and a mandatory priority sector lending requirements.

Unfavourable regulatory changes could have an adverse impact on HFCs business and profitability

HFCs in India work under the regulations of the NHB. Any adverse changes in the regulatory framework are likely to have an adverse impact on the business and the financial performance of the HFCs including RHFL. Some of the recent regulatory changes include, increase in the standard asset provisioning requirement (from 0.25% to 0.40%), removal of pre-payment penalty for floating rate housing loans, change in eligibility and restriction on bank lending to HFCs under priority sector classification for banks, uniformity in the interest rate changed to new and old customers (notified in April 2012,not implemented yet) and restriction on Loan to value (LTV) ratio etc are expected to have an adverse impact on the business and financial performance of the HFCs.

RHFL is a regional player with a modest scale of operations

Table 1: Key portfolio characteristics

	Mar-12	Mar-11
Average ticket size (Rs. lakhs)	8.89	8.06
Proportion of loans above 80% LTV	14%	12%
Proportion of loans to Salaried customers	46%	45%
Proportion of non-housing loans	14%	16%
Proportion of floating rate loans		
Share of loans in Tamil Nadu	67%	68%

Source: Company Reports

RHFL with a portfolio size of about Rs. 3,098 crore as on September 30, 2012 (Rs 2,804 crore as on March 30 2012, about 1% market share among HFCs) is small HFC. Of the total portfolio as on September 30, 2012, about 86% were housing loans. The company caters to individual borrowers in both the salaried and non-salaried (self employed professional and self employed non-professional) segments, accounting for about 47% and 53% respectively of the total portfolio as on September 30, 2012. The company was able to grow its portfolio at a healthy rate of 35% and 47% during 2011-12 and 2010-11; higher than the industry levels due to its small asset base. RHFL achieved disbursements of about Rs.496 crore in the first six months 2012-13 vis a vis

Rs.498 crore during the same corresponding period in the last financial year, indicating stagnant levels, inline with the subdued operating environment.

Table 2: Product-wise breakup of Portfolio

Portfolio	Sep-12		Mar-12			Mar-11			Mar-10		
(in Rs. cr)	O/S	% share	O/S	% share	% growth	O/S	% share	% growth	O/S	% share	% growth
Housing Loans	2,652	86%	2,403	86%	37%	1,751	84%	50%	1,165	83%	49%
Non-Housing Loans	446	14%	401	14%	24%	324	16%	33%	243	17%	17%
Total	**3,098**	**100%**	**2,804**	**100%**	**35%**	**2,075**	**100%**	**47%**	**1,408**	**100%**	**42%**

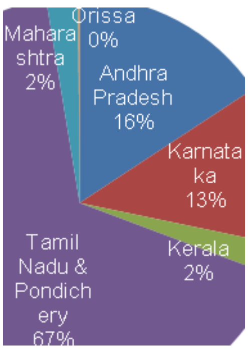
Source: Company Reports

Table 3: Customer Segment-wise breakup of Portfolio

Portfolio	Sep-12		Mar-12			Mar-11			Mar-10		
(In Rs. crore)	O/S	% share	O/S	% share	% growth	O/S	% share	% growth	O/S	% share	% growth
Salaried	1,465	47%	1,304	46%	40%	932	45%	50%	621	44%	36%
Professional & Self employed	140	5%	129	5%	8%	120	6%	46%	82	6%	55%
Loans to Businessmen	1,493	48%	1,371	49%	34%	1,023	49%	45%	704	50%	47%
Total	**3,098**	**100%**	**2,804**	**100%**	**35%**	**2,075**	**100%**	**47%**	**1,408**	**100%**	**42%**

Source: Company Reports

Chart 1: State wise Portfolio Break-up-March-2012



Source: Company Reports

The company has a concentrated nature of business, with about 98% of its business from the four South Indian states; of which, Tamil Nadu (TN) accounted for about 67% of the total portfolio outstanding as on March 31, 2012. Although the company has taken initiatives to improve its regional diversification by opening new branches in West Bengal, Orissa and Gujarat during the previous year and in the current year so far, RHFL's business is expected to remain concentrated in the South India states, particularly TN over the medium term at least. The above is likely to exert competitive pressure on the company from both SCBs and other HFCs, thus limiting RHFL's scope of scale and margin expansion.

Deterioration in RHFL's asset quality in the recent past

Table 4: Trend in asset quality indicators

(In Rs. crore)	Sep-12	Sep-11		Mar-12	Mar-11	Mar-10	Mar-09
Gross NPA	65.6	42.7		38.4	25.2	17.4	9.5
Provisions	16.6	12.0		11.8	7.0	4.4	2.6
Net NPA	49.0	30.7		26.6	18.2	13.0	6.9
Gross Advances	3097.8	2,409.2		2,802.2	2,075.2	1,404.0	988.5
Gross NPA %	2.12%	1.77%		1.37%	1.21%	1.24%	0.96%
Net NPA %	1.59%	1.28%		0.95%	0.88%	0.93%	0.70%
Provision cover	25%	28%		31%	28%	25%	27%
Net NPA/Net-worth	14.46%	11.27%		8.77%	7.35%	6.67%	4.41%

Source: Company Reports

RHFL's gross non-performing assets (NPAs) as a proportion of its advances has increased during the period March 2010 to March 2012, while HFCs (all HFCs consolidated) registered a declining trend during the same period. RHFL's gross NPAs further increased to about 2.12 % in September 2012 as compared to 1.37% in March 2012 and 1.77% in September 2011. The above was on account of the subdued economic environment, which has exerted pressure on the re-payment capability of its borrowers. Pressure was witnessed across the lending profile of the company, but majorly in the non-salaried segment.

The company, in view of the above, has taken initiatives to improve its monitoring and collection processes. Further, HFCs generally are faced with higher delinquencies during the year, which are regularized by the end of the financial year. Also, availability of laws like the SARFAESI Act has helped HFCs including RHFL in loan recoveries thus reducing credit losses. However, considering the ongoing weakness in the operating environment, the asset quality of RHFL is expected to be under some pressure in the near to medium term at least. Nevertheless, in light of strong recovery systems, adequate cushion available in the form of equity of the borrower (only 14% portfolio as on September 30, 2012 was at more than 80% LTV) and access to SARFAESI, eventual credit losses may not increase sharply from current levels.

Financial position

IPO proceeds to support medium term growth plan

RHFL's gearing increased to about 8.15 times on September 30, 2012 vis-a-vis 7.38 times on March 31, 2011 and 6.53 in March 31, 2010, due to strong growth even as its annual internal capital generation (PAT-Dividend / Average assets) was strong at over 2.2% over the last two years . As sizeable proportion of its portfolio carried lower risk weights, its reported capital adequacy ratio (CAR) as on March 31, 2012 and September 30, 2012 was comfortable at 16.50% and 15.94%, comprising entirely of Tier-I capital.

The IPO proposed is expected to significantly improve the overall capitalisation profile of the company to support its envisioned growth going forward.

Concentrated funding profile limits financial flexibility

RHFL has predominantly used National Housing Bank refinance (43% of total borrowings as on September 2012) to fund its disbursements, while the remaining was from various SCBs and from the parent company, Repco Bank. More than 60 out of its 68 branches of RHFL as in March 2012 are in Tier II and Tier III towns and a significant portion of its portfolio qualifies as rural housing finance, and is eligible for low-cost funding from NHB. The cost of borrowing from NHB was about 8% in September 2012, while the same from banks stood at about 11%. As the company's bank funds are generally linked to the base rate any reduction in the systemic rates is likely to favourably impact the company cost of bank funds and vice versa. Limited funding diversity, however, constraints RHFL's bargaining power with its lenders and makes the company's profitability susceptible to adverse movement in the systemic interest rates. Therefore, ability of the company to diversify its funding sources would be critical for controlling its overall cost of funds, as the scale of operations increases going forward.

The company's overall cost of borrowing witnessed an increase from about 8.92% in April 2011 to about 9.58% in March 2012. RHFL's average cost of bank funds increased from about 9.33% for 2011-12 to about 9.51% for the first six months of 2012-13. The same is expected to moderate to an extent in the second half of the year, inline with the anticipated downward systemic rate movement.

Earnings profile remains strong albeit some pressure on margins

Table 5: Summary Earnings Profile

(Amounts in Rs. crore)	Sep-12 6M	Mar-12 12M	Mar-11 12M	Mar-10 12M	Mar-09 12M
Net Interest Income	62.1	114.5	96.3	72.4	45.3
Other Income	1.3	2.1	1.8	1.4	1.0
Operating Income	63.4	116.6	98.1	73.8	46.3
Operating Expenses	9.8	19.4	15.0	9.5	7.4
Operating Profit	53.6	97.2	83.1	64.3	38.9
Provisions and loan losses	5.9	15.5	3.9	3.2	0.6
PBT	47.8	81.6	79.3	61.2	38.3
PAT	35.6	61.5	58.2	44.4	28.1
Yield on Average Earning Assets (%)	12.6%	12.9%	12.6%	13.0%	13.1%
Non-interest income (other than loan related fees)/ Average Assets	0.1%	0.1%	0.1%	0.1%	0.1%
Cost of average interest bearing funds (%)	9.5%	9.3%	8.3%	8.5%	9.7%
Gross Interest Spread (%)	3.1%	3.6%	4.3%	4.5%	3.4%
Net Interest Margin (%)	4.1%	4.6%	5.3%	5.7%	5.1%
Operating Expenses /Average Assets	0.7%	0.8%	0.8%	0.7%	0.8%
Provisions & Write offs / Average Assets (%)	0.4%	0.6%	0.2%	0.2%	0.1%
Cost to Income Ratio (%)	15.4%	16.7%	15.3%	12.8%	15.9%
Profit before Taxes / Average Assets	3.2%	3.3%	4.4%	4.8%	4.2%
Profit after Taxes / Average Assets (%)	2.4%	2.5%	3.2%	3.5%	3.0%

(Amounts in Rs. crore)	Sep-12 6M	Mar-12 12M	Mar-11 12M	Mar-10 12M	Mar-09 12M
Profit after Taxes / Networth	22.2%	22.3%	26.3%	25.3%	18.6%

Source: Annual Report/RHFL

RHFL had enjoyed a healthy gross interest spread in the past as compared to most of its peers, largely on account of its less penetrated target market (Tier-II and Tier-III cities); however the same has been displaying a deteriorating trend in the recent past due to the increase in competitive pressures and in the cost of funds for the company. The yield of the company has remained range bound at about 12.5-13% during the last two–three years, while the cost of funds have increased from 8.3% during 2010-11 to about 9.5% for the six months period ended September 30, 2012. Consequently, the company's gross interest spread declined from about 4.3% in 2010-11 to 3.1% for the six months ended September 30, 2012. The company's fee based income is meagre.

The company's operating cost has moderated over the years and presently is about 0.7-0.8% of average total assets, largely in line with the industry standards (0.7% in 2011-12). The provision costs increased considerably during 2011-12 due to changes in the provisioning policies; however the same was higher at 0.39% for the six months ended September 30, 2012 vis-à-vis 0.21% in 2010-11, due to the increase in the delinquencies. During 2011-12, pursuant to the change company's NPA provisioning policy in accordance with the NHB requirements and the amendment in the standard provisioning requirement (increased to 0.4%), the company had a onetime impact of about Rs.10 crore on its overall profits.

In line with the decline in the gross interest spread, the net profitability and return on networth also eroded over the last two years, however the same remained healthy at about 2.4% and 22% respectively for the six month period ended September 30, 2012. While the company is likely to benefit from lower cost of funds in a softening interest rate environment going ahead, the lending yields could also moderate given the prevailing competitive scenario. Consequently, interest spreads are expected to moderate from current levels. The relatively low operating cost levels of the company could endure healthy operating profitability while higher provisioning costs arising out of increase in delinquency levels could impact net profitability. Nonetheless, RHFL's return on networth is likely to remain strong and favourable in comparison to peers over the medium term.

Contingent liabilities

Contingent liabilities on the book of the company as on September 30, 2012 are detailed in the table below:

Table 6: Contingent liabilities not provided for as on September 30, 2012

Particulars	Rs. Crore
Claims against the Company not acknowledged as Debts	0.21
Disputed Income tax liability	0.20

Source: RHFL Annual Report 2012

Litigation history

The litigations outstanding against the company, its directors and group entities are as on September 30, 2012 are detailed in the table below:

Table 7: Summary of Litigations against the company and related parties

Category	Against Company	Against Director	Against Promoter	Against Group Entities
Criminal Proceedings	NIL	NIL	NIL	NIL
Securities law proceeding	NIL	NIL	NIL	NIL
Civil Proceedings	15	NIL	15	NIL
Tax Proceedings	NIL	NIL	NIL	NIL
Labour Cases	NIL	NIL	NIL	NIL
Consumer Cases	7	NIL	3	NIL
Other proceedings	1	NIL	NIL	NIL
Total Amount (Rs. crore)	**3.08**	**NIL**	**14.94**	**NIL**

Source: Company Reports

Apart from the above, investigation by the Central Bureau of Investigation against the erstwhile Managing Director of the company is pending.

There are also legal proceedings initiated by the company and the promoter. The amounts involved in the same are Rs 0.26 crore and Rs. 39 crore respectively.

In Fiscal 2012, the company experienced seven cases of fraud amounting to Rs 2.42 crore in aggregate and between the period April 1, 2012 to September 30, 2012, the company experienced one case of fraud amounting to Rs 0.01 crore. The company is currently examining the facts of the case and loan documentation.

ICRA Limited

An Associate of Moody's Investors Service

CORPORATE OFFICE
Building No. 8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon 122 002
Tel: +91 124 4545300 Fax: +91 124 4545350
Email: info@icraindia.com, Website: www.icra.in

REGISTERED OFFICE
1105, Kailash Building, IIth Floor, 26 Kasturba Gandhi Marg, New Delhi 110001
Tel: +91 11 23357940-50 Fax: +91 11 23357014

Branches: **Mumbai**: Tel.: + (91 22) 24331046/53/62/74/86/87, Fax: + (91 22) 2433 1390 **Chennai**: Tel + (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294, Fax + (91 44) 2434 3663 **Kolkata**: Tel + (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008, Fax + (91 33) 2287 0728 **Bangalore**: Tel + (91 80) 2559 7401/4049 Fax + (91 80) 559 4065 **Ahmedabad**: Tel + (91 79) 2658 4924/5049/2008, Fax + (91 79) 2658 4924 **Hyderabad**: Tel +(91 40) 2373 5061/7251, Fax + (91 40) 2373 5152 **Pune**: Tel + (91 20) 2552 0194/95/96, Fax + (91 20) 553 9231