(Please scan the QR code to view the Draft Prospectus)

NIDO HOME FINANCE LIMITED

(*formerly known as Edelweiss Housing Finance Limited*)

Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited) (the "**Company**" or "**Issuer**") was incorporated at Mumbai on May 30, 2008 as a public limited company with the name 'Edelweiss Housing Finance Limited' under the provisions of the Companies Act, 1956. The Company received its certificate for commencement of business on June 12, 2008. Subsequently, the name of the Issuer was changed to 'Nido Home Finance Limited' pursuant to a fresh certificate of incorporation issued by the RoC on May 4, 2023. Our Company is registered with the Reserve Bank of India ("**RBI**") as housing finance company *vide* registration no. DOR – 00081 dated May 19, 2023. For more information about our Company, please refer "*General Information*" and "*History and Main Objects*" on pages 42 and 111.

Registered Office and Corporate Office: Tower 3, 5th Floor, Wing B, Kohinoor City Mall Kohinoor City, Kirol Road, Kurla (West) Mumbai 400070, Maharashtra, India;
Tel.: +91 22 4272 2200
CIN: U65922MH2008PLC182906; **PAN**: AABCE9808N; **Website:** www.nidohomefin.com; **Email:** investorgrievances@nidohomefin.com
Company Secretary and Compliance Officer: Archana Nadgouda; **Tel.:** +91 22 4272 2200; **Email:** CS.CBG@nidohomefin.com
Chief Financial Officer: Kiran Agarwal Todi; **Tel**: +91 22 4272 2200; **Email**: CS.CBG@nidohomefin.com

PUBLIC ISSUE BY THE COMPANY OF 10,00,000 SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE ₹ 1,000 EACH ("NCDs" OR "DEBENTURES"), AMOUNTING TO ₹ 500 MILLION ("BASE ISSUE SIZE") WITH A GREEN SHOE OPTION OF UP TO ₹ 500 MILLION AGGREGATING UP TO ₹ 1,000 MILLION ("LIMIT"), HEREINAFTER REFERRED TO AS THE "ISSUE". THE ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF SEBI NCS REGULATIONS, THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER AS AMENDED TO THE EXTENT NOTIFIED AND THE SEBI MASTER CIRCULAR. THE ISSUE IS NOT UNDERWRITTEN.

OUR PROMOTERS

(i) Edelweiss Financial Services Limited; **Email**: cs@edelweissfin.com; **Tel**: +91 22 4079 5199, (ii) Edelweiss Rural & Corporate Services Limited; **Email**: cs@edelweissfin.com; **Tel**: +91 22 4079 5199, and (iii) Edel Finance Company Limited; **Email**: cs@edelweissfin.com; **Tel**: +91 22 4079 5199. For details of our Promoters, see *"Our Promoter"* on page 125.

GENERAL RISKS

Investment in NCDs is risky, and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under section "*Risk Factors*" on page 16. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities.

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

For details relating to Coupon Rate, Coupon Payment Frequency, Redemption Date, Redemption Amount & Eligible Investors of the NCDs, please see "*Issue Related Information*" on page 231.

CREDIT RATING

The NCDs proposed to be issued under the Issue have been rated "CRISIL A+/Stable" (pronounced as "CRISIL A plus rating" with Stable outlook) for an amount of ₹ 5,000 million by CRISIL Ratings Limited *vide* their rating letter dated December 19, 2023 which was revalidated vide revalidation letter dated April 12, 2024, which was further revalidated vide revalidation letter dated April 23, 2024, and rating rationale dated December 18, 2023. Securities with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such securities carry low credit risk. The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating given by CRISIL Ratings Limited is valid as on the date of this Draft Prospectus and shall remain valid until the ratings are revised or withdrawn. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating agency has a right to suspend or withdraw the rating at any time on the basis of factors such as new information. Please refer to *Annexure A* of this Draft Prospectus for the rating, rating rationale and press release of the above rating. There are no unaccepted ratings and any other ratings other than as specified in this Draft Prospectus.

LISTING

The NCDs offered through this Draft Prospectus are proposed to be listed on BSE Limited ("**BSE**") and BSE shall be the Designated Stock Exchange. Our Company has received an 'in-principle' approval from BSE vide their letter no. [•] dated [•].

PUBLIC COMMENTS

The Draft Prospectus dated May 3, 2024 has been filed with the BSE, pursuant to the provisions of the SEBI NCS Regulations and is open for public comments for a period of seven Working Days (i.e., until 5 p.m. on [•]) from the date of filing of this Draft Prospectus with the Stock Exchange. All comments on this Draft Prospectus are to be forwarded to the attention of the Compliance Officer of our Company.

LEAD MANAGERS TO THE ISSUE		DEBENTURE TRUSTEE
Tipsons Consultancy Services Private Limited 401, Sheraton House, Opposite Ketav Petrol Pump, Polytechnic Road, Ambawadi, Ahmedabad – 380015 Gujarat **Tel:** +91 7066828064 / 9589801774 **Email:** project.shikhar2@tipsons.com **Website:** www.tipsons.com **Contact person:** Nagesh Chauhan	**Nuvama Wealth Management Limited** *(formerly known as Edelweiss Securities Limited)* 801-804, Wing A, Building No 3, Inspire BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051 **Tel:** +91 22 4009 4400 **Email**: nhfl.ncd@nuvama.com **Website:** www.nuvama.com **Contact Person:** Saili Dave	**Beacon Trusteeship Limited*** 7 A&B, Siddhivinayak Chambers Opp. MIG Cricket Club, Gandhi Nagar, Bandra East, Mumbai 400 051 **Tel**.: +91 22 4606 0278 **Email**: compliance@beacontrustee.co.in **Website**: www.beacontrustee.co.in **Contact Person**: Kaustubh Kulkarni
REGISTRAR	**CREDIT RATING AGENCY**	**STATUTORY AUDITOR**
KFIN Technologies Limited (*formerly known as* KFIN Technologies Private Limited) Selenium Tower B, Plot no. 31 and 32, Gachibowli Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana, India **Tel**: +91 40 6716 2222 /18003094001 **Fax**: +91 40 6716 1563 **Email**: nhfl.ncdipo@kfintech.com **Website**: www.kfintech.com **Contact Person**: M Murali Krishna	**CRISIL Ratings Limited (a subsidiary of CRISIL Limited)** CRISIL House, Central Avenue, Hiranandani Business Park Powai, Mumbai – 400 076 Maharashtra, India **Tel**: + 91 22 3342 3000 (B) **Email**: crisilratingdesk@crisil.com **Website**: www.crisilratings.com **Contact Person**: Ajit Velonie	**NGS & Co., LLP,** **Chartered Accountants** B-46, 3rd Floor, Pravasi Estate, V.N. Road, Goregaon (East) Mumbai 400 063 Maharashtra, India **Tel**: +91 22 4908 4401 **Email**: info@ngsco.in **Contact Person**: R.P. Soni

ISSUE PROGRAMME**

ISSUE OPENS ON:	ISSUE CLOSES ON:
ISSUE OPENS ON: *As specified in the Prospectus*	**ISSUE CLOSES ON:** *As specified in the Prospectus*

* *Beacon Trusteeship Limited under regulation 8 of SEBI NCS Regulations has by its letter dated April 29, 2024, given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Draft Prospectus and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to the Issue.*

***This Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated in the Prospectus, except that the Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or the Operations Committee, subject to relevant approvals (subject to a minimum period of three working days and a maximum period of 10 working days from the date of opening of this Issue). In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in an English daily national newspaper with wide circulation and a regional daily with wide circulation where the registered office of the Company is located (in all the newspapers in which pre-issue advertisement for opening of this Issue has been given on or before such earlier or initial date of Issue closure). On the Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchange. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 p.m. on one Working Day post the Issue Closing Date. For further details please refer to our section titled "Issue Related Information" on page 231.*

A copy of the Prospectus shall be filed with the Registrar of Companies, Maharashtra at Mumbai in terms of Section 26 of Companies Act, 2013, along with the endorsed/certified copies of all requisite documents. For further details, please see "Material Contracts and Documents for Inspection" on page 292.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

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

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

General Terms

Term	Description
EFSL	Edelweiss Financial Services Limited.
"Nido" or "Company" or "the Issuer"	Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited), a public limited company incorporated under the Companies Act, 1956, and having its Registered Office at Tower 3, 5th Floor, Wing B, Kohinoor City Mall Kohinoor City, Kirol Road, Kurla (West) Mumbai 400070, Maharashtra, India.
Nuvama	Nuvama Wealth Management Limited *(formerly known as Edelweiss Securities Limited)*
ERCSL	Edelweiss Rural and Corporate Services Limited.
Tipsons	Tipsons Consultancy Services Private Limited
"we" or "us" or "our"	Unless the context otherwise requires, Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited)

Company Related Terms

Term	Description
Articles or Articles of Association or AOA	Articles of Association of our Company
Audit Committee	Audit committee of the Board of Directors
Audited Financial Statements	The Audited Financial Statements of the Company comprising of Audited Financial Statements for the financial year ending March 31, 2023, Audited Financial Statements for the financial year ending March 31, 2022 and Audited Financial Statements for the financial year ending March 31, 2021.
Audited Financial Statements for Fiscal 2023	The annual balance sheet as at March 31, 2023 and the annual statement of profit and loss for the year ended 2023 and the annual statement of cash flows for the year ended 2023 and the annual statement of changes in equity for the year ended 2023 prepared in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
Audited Financial Statements for Fiscal 2022	The annual balance sheet as at March 31, 2022 and the annual statement of profit and loss for the year ended 2022 and the annual statement of cash flows for the year ended 2022 and the annual statement of changes in equity for the year ended 2022 prepared in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
Audited Financial Statements for Fiscal 2021	The annual balance sheet as at March 31, 2021 and the annual statement of profit and loss for the year ended 2021 and the annual statement of cash flows for the year ended 2021 and the annual statement of changes in equity for the year ended 2021 prepared in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
Auditors or Statutory Auditors	The current statutory auditors of our Company, M/s. NGS & Co. LLP, Chartered Accountants

Term	Description
Board or Board of Directors or our Board or our Board of Directors	Board of Directors of our Company or any duly constituted committee thereof.
Corporate Social Responsibility Committee	Corporate Social Responsibility committee of the Board of Directors.
Committee	A committee constituted by the Board, from time to time.
Directors	Directors of the Company
Equity Shares	Equity shares of the Company of face value of ₹ 10 each
ESOPs	Employee stock options
Independent Director(s)	The independent director(s) on our Board, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013 and SEBI Listing Regulations
Unaudited Financial Results	The unaudited financial results of the Company for the quarter ended December 31, 2023 and year to date from April 1, 2023 to December 31, 2023, together with notes thereon prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standard) Rules, 2015 (as amended for time to time) issued by Ministry of Corporate Affairs in exercise of the powers conferred by Section 133 read with Sub-section (1) of section 210A of Companies Act, 2013, as amended and presented in accordance with the requirements of the SEBI LODR Regulations, which have been subjected to limited review by Statutory Auditors.
KMP / Key Managerial Personnel	Key managerial personnel of our Company as disclosed in this Draft Prospectus and appointed as Key Managerial Personnel in accordance with the definition of under Section 2(51) of the Companies Act, 2013
LAP	Loan against property
Lending Committee	Lending committee as constituted by the Board of Directors
Loan Book	Loan book of the Company containing loans and advances to the borrowers.
Loan Book / Net Loan Book	Loan Book net of expected credit loss allowance.
"MoA" or "Memorandum" or "Memorandum of Association"	Memorandum of Association of our Company.
Nomination and Remuneration Committee	Nomination and remuneration committee of the Board of Directors
Networth	As defined in Section 2(57) of the Companies Act, 2013, as follows: "*Networth means the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet but does not include reserves created out of revaluation of assets, write back of depreciation and amalgamation.*"
Operations Committee	Operations committee as constituted by the Board of Directors
Promoter Group	Includes such persons and entities constituting the promoter group of our Company pursuant to Regulation 2 of the SEBI ICDR Regulations.
Promoters	The promoters of our Company are Edelweiss Financial Services Limited, Edelweiss Rural & Corporate Service Limited and Edel Finance Company Limited.
Registered Office	The registered office of our Company is situated at Tower 3, 5th Floor, Wing B, Kohinoor City Mall Kohinoor City, Kirol Road, Kurla (West) Mumbai 400070, Maharashtra, India
Risk Management Committee	Risk Management Committee of the Board of Directors
RoC/ Registrar of Companies	Registrar of Companies, Maharashtra at Mumbai
"Senior Management Personnel" or "SMP"	Senior Management Personnel of our Company in accordance with definition of Senior Management in Regulation 2 (iia) of the SEBI NCS Regulations
Shareholders	The holders of the Equity Shares from time to time
Stakeholders' Relationship Committee	Stakeholders' Relationship Committee as constituted by the Board of Directors
Total Borrowing(s)/ Total Debt	Debt securities plus borrowings (other than debt securities), subordinated liabilities and deposits.

Issue Related Terms

Term	Description
Abridged Prospectus	A memorandum containing the salient features of the Prospectus
Acknowledgement Slip/ Transaction Registration Slip/ TRS	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form
Allotment Advice	The communication sent to the Allottees conveying the details of NCDs allotted to the Allottees in accordance with the Basis of Allotment
"Allotment", "Allot" or Allotted	Unless the context otherwise requires, the allotment of NCDs to the successful Applicants pursuant to the Issue
Allottee(s)	The successful Applicant to whom the NCDs are Allotted either in full or part, pursuant to the Issue
"Applicant" or "Investor"	Any person who applies for issuance and Allotment of NCDs through ASBA process or through UPI Mechanism pursuant to the terms of this Draft Prospectus, the Prospectus, the Abridged Prospectus and the Application Form
"Application" or "ASBA Application"	An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to the Issue by submission of a valid Application Form and authorising an SCSB to block the Application Amount in the ASBA Account or to block the Application Amount using the UPI Mechanism, where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by retail investors for an Application Amount of upto ₹ 500,000 which will be considered as the application for Allotment in terms of the Prospectus.
Application Amount	The aggregate value of the NCDs applied for, as indicated in the Application Form for the Issue
Application Form / ASBA Form	Form in terms of which an Applicant shall make an offer to subscribe to NCDs through the ASBA process or through the UPI Mechanism and which will be considered as the Application for Allotment of NCDs in terms of the Prospectus.
ASBA Account	An account maintained with a SCSB and specified in the Application Form which will be blocked by such SCSB to the extent of the Application Amount mentioned in the Application Form by an Applicant and will include a bank account of a retail individual investor linked with UPI, for retail individual investors submitting application value upto ₹ 500,000
Banker(s) to the Issue	Collectively Public Issue Account Bank, Refund Bank and Sponsor Bank
Base Issue Size	₹ 500 million
Basis of Allotment	The basis on which NCDs will be allotted to applicants as described in "*Issue Procedure – Basis of Allotment*" on page 281.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, i.e., Designated Branches of SCSB, Specified Locations for Members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Broker Centres	Broker centres notified by the Stock Exchange where Applicants can submit the ASBA Forms (including ASBA Forms under UPI in case of UPI Investors) to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Trading Members are available on the websites of the Stock Exchange at www.bseindia.com.
CARE	CARE Analytics and Advisory Private Limited (formerly known as CARE Risk Solutions Private Limited)
Category I (Institutional Investors)	• Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs; • Provident funds and pension funds each with a minimum corpus of ₹250 million, superannuation funds and gratuity funds, which are authorised to invest in the NCDs; • Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; • Resident Venture Capital Funds registered with SEBI; • Insurance companies registered with the IRDAI; • State industrial development corporations; • Insurance funds set up and managed by the army, navy, or air force of the Union of

Term	Description
	India; • Insurance funds set up and managed by the Department of Posts, the Union of India; • Systemically Important Non-Banking Financial Company registered with the RBI and having a net-worth of more than ₹ 5,000 million as per the last audited financial statements; • National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and • Mutual funds registered with SEBI.
Category II (Non-Institutional Investors)	• Companies within the meaning of Section 2(20) of the Companies Act, 2013; statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs; • Co-operative banks and regional rural banks; • Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs; • Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; • Partnership firms in the name of the partners; and • Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009). • Association of Persons; and • Any other incorporated and/ or unincorporated body of persons
Category III (High Net Worth Individual Investors)	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 1,000,000 across all options of NCDs in the Issue
Category IV (Retail Individual Investors)	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 1,000,000 across all options of NCDs in the Issue and shall include Retail Individual Investors, who have submitted bid for an amount not more than ₹ 500,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) though UPI Mechanism.
CIBIL	TransUnion CIBIL Limited
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account
"Collecting Depository Participant" or "CDP"	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications in the Issue, at the Designated CDP Locations in terms of the SEBI Master Circular
Credit Rating Agency	CRISIL Ratings Limited (a subsidiary of CRISIL Limited)
CRISIL / CRISIL Ratings Limited	CRISIL Ratings Limited (a subsidiary of CRISIL Limited)
Debentures / NCDs	Secured Redeemable Non-Convertible Debentures of face value of ₹ 1,000 each
Debenture Holder(s)/ NCD Holder(s)	The holders of the NCDs whose name appears in the database of the Depository and/or the register of NCD Holders (if any) maintained by our Company if required under applicable law.
Debenture Trust Deed	The trust deed to be entered between the Debenture Trustee and our Company which shall be executed in relation to the NCDs within the time limit prescribed by applicable statutory and/or regulatory requirements, including creation of appropriate security, in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 100% asset cover for the NCDs and the interest due thereon issued pursuant to the Issue. The contents of the Debenture Trust Deed shall be as prescribed by SEBI or any other applicable statutory/regulatory body from time to time.
Debenture Trustee/ Trustee	Trustees for the NCD holders in this case being Beacon Trusteeship Limited
Debenture Trustee Agreement	Agreement dated April 29, 2024 entered into between the Debenture Trustee and the Company wherein the appointment of the Debenture Trustee to the Issue is agreed as between our Company and the Debenture Trustee
Deemed Date of Allotment	The date on which the Board of Directors/or the Operations Committee approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors/ or the Operations Committee thereof and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture Holders from the Deemed Date of Allotment.

Term	Description
Demographic Details	The demographic details of the Applicants such as their respective addresses, email, PAN, investor status, MICR Code and bank account detail
Designated Branches	Such branches of the SCSBs which shall collect the Application Forms, a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or at such other websites as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the ASBA Forms, a list of which, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the website of the Stock Exchange at www.bseindia.com
Designated Date	The date on which the funds blocked by the SCSBs are transferred from the ASBA Accounts to the Public Issue Account and/or the Refund Account, as appropriate, after finalisation of the Basis of Allotment, in terms of the Prospectus following which the NCDs will be Allotted in the Issue
Designated Intermediaries	Collectively, the Lead Manager, the Consortium Members, Trading Members, agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect Application Forms from the Applicants in the Issue
Designated RTA Locations	Such locations of the CRTAs where Applicants can submit the ASBA Forms to CRTAs, a list of which, along with names and contact details of the CRTAs eligible to accept ASBA Forms are available on the website of the Stock Exchange.
Designated Stock Exchange	The designated stock exchange for the Issue, being the BSE Limited
Direct Online Application	An online interface enabling direct applications through UPI by an app based/web interface, by investors to a public issue of debt securities with an online payment facility
Draft Prospectus	The Draft Prospectus dated May 3, 2024, filed with the Designated Stock Exchange for receiving public comments and with, SEBI in accordance with the provisions of the Companies Act, 2013 and the SEBI NCS Regulations
Interest Payment Date / Coupon Payment Date	Please see the section titled "*Issue Related Information*" on page 231.
Issue	Public Issue by the Company of 10,00,000 Secured, Redeemable, Non-Convertible Debentures of face value ₹ 1,000 Each ("**NCDs**" or "**Debentures**"), amounting to ₹ 500 million with a green shoe option of up to ₹ 500 million aggregating up to ₹ 1,000 million, hereinafter referred to as the "Issue". The Issue is being made pursuant to the provisions of SEBI NCS Regulations, The Companies Act, 2013 and rules made thereunder as amended to the extent notified and the SEBI Master Circular.
Issue Agreement	The Issue Agreement dated May 3, 2024, entered between the Company, and Tipsons Consultancy Services Private Limited and Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited as the Lead Managers to the Issue.
Issue Closing Date	*As specified in the Prospectus*
Issue Opening Date	*As specified in the Prospectus*
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days, during which prospective Applicants can submit their Application Forms
Consortium Agreement	Consortium Agreement to be entered between the Company, Lead Managers and the Consortium Members to the Issue.
Consortium Member(s)	*As specified in the Prospectus*
Consortium/ Members of the Consortium (each individually, a member of the consortium)	The Lead Managers and Consortium Members.
Lead Managers	Tipsons Consultancy Services Private Limited and Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)
Market Lot	1 (One) NCD
Mobile App(s)	The mobile applications listed on the website of Stock Exchange as may be updated from time to time, which may be used by RIBs to submit Bids using the UPI Mechanism
Redemption Amount	Please see the section titled "*Issue Structure*" on page 231
"Maturity Date" or "Redemption Date"	Please see the section titled "*Issue Structure*" on page 231
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% (sixty percent) by NRIs including overseas trusts, in which not

Term	Description
	less than 60% (sixty percent) of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not permitted to invest in the Issue
Offer Document	This Draft Prospectus, the Prospectus, the Abridged Prospectus and Application Form
Prospectus	The Prospectus to be filed with the RoC in accordance with the SEBI NCS Regulations, containing inter alia the Coupon Rate for the NCDs and certain other information.
Public Issue Account	A bank account to be opened with the Bankers to the Issue to receive monies from the ASBA Accounts on the Designated Date as specified for in the Prospectus
Public Issue Account and Sponsor Bank Agreement	Agreement to be entered into amongst our Company, the Registrar to the Issue, the Public Issue Account Bank, the Refund Bank and the Sponsor Bank and the Lead Managers for the appointment of the Sponsor Bank in accordance with the SEBI Master Circular for collection of the Application Amounts from ASBA Accounts and where applicable, refunds from the amounts collected from the Applicants on the terms and conditions thereof.
Public Issue Account Bank	*As specified in the Prospectus*
Record Date	The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 (fifteen) days prior to the date on which interest is due and payable, and/or the date of redemption or such other date as may be determined by the Board of Directors or the Operations Committee or such other Committee (as may be authorized by the Board in this regard from time to time) in accordance with the applicable law. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be. In case Record Date falls on a day when Stock Exchange are having a trading holiday, the immediate subsequent trading day will be deemed as the Record Date
Recovery Expense Fund	An amount to be deposited by our Company with the Designated Stock Exchange, equal to 0.01% of the issue size, subject to a maximum of deposit of ₹2,500,000 at the time of making the application for listing of NCDs.
Refund Account	Account to be opened with the Refund Bank from which refunds, if any, of the whole or any part of the Application Amount shall be made, as specified in the Prospectus.
Refund Bank	*As specified in the Prospectus*
Register of NCD holders	The register of NCD holders maintained by the Issuer in accordance with the provisions of the Companies Act, 2013 and by the Depositories in case of NCDs held in dematerialised form, and/or the register of NCD holders maintained by the Registrar
Registrar Agreement	Agreement dated April 29, 2024 entered into between the Issuer and the Registrar under the terms of which the Registrar has agreed to act as the Registrar to the Issue
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers) Regulation, 1992 and the stock exchange having nationwide terminals, other than the Members of the Syndicate and eligible to procure Applications from Applicants
Registrar to the Issue or Registrar	KFIN Technologies Limited *(formerly known as KFIN Technologies Private Limited)*
Resident Individual	An individual who is a person resident in India as defined in the FEMA
"Registrar and Share Transfer Agents" or "RTAs"	Registrar and share transfer agents registered with SEBI and eligible to procure Application in the Issue
Security	The principal amount of the NCDs to be issued in terms of the Prospectus together with all interest due and payable on the NCDs, thereof shall be secured by way of hypothecation on pari-passu charge on the assets of the company comprising of loans and advances, receivables, investments, current & other assets held by the Company, created in favour of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed, except those receivables specifically and exclusively charged in favour of certain existing charge holders, such that a security cover of at least 100% of the outstanding principal amounts of the NCDs and interest thereon is maintained at all time until the Maturity Date. We have received necessary consents from the relevant debenture trustees and security trustees for ceding pari- passu charge in favour of the Debenture Trustee in relation to the NCDs.

Term	Description
"Self-Certified Syndicate Banks" or "SCSBs"	The banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
Series/Option	Please see the section titled "*Issue Related Information*" on page 231
"Specified Cities" or "Specified Locations"	Bidding centres where the Members of the Syndicate shall accept Application Forms from Applicants, a list of which is available on the website of the SEBI athttps://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
Sponsor Bank	A Banker to the Issue, registered with SEBI, which is appointed by the Issuer to act as a conduit between the Designated Stock Exchange and NPCI in order to push the mandate collect requests and / or payment instructions of the retail individual investors into the UPI for retail individual investors applying through the app/web interface of the Stock Exchange(s) with a facility to block funds through UPI Mechanism for application value upto UPI Application Limit and carry out any other responsibilities in terms of the SEBI Master Circular.
Stock Exchange	BSE
Syndicate ASBA	Applications through the Syndicate or the Designated Intermediaries
Syndicate ASBA Application Locations	ASBA Applications through the Lead Managers, Consortium Members, the Trading Members of the Stock Exchange or the Designated Intermediaries.
Syndicate Bidding Centres	Syndicate Bidding Centres established for acceptance of Application Forms
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a Member of the Syndicate, such branches 3of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Tenor	Please see the section titled "*Issue Related Information*" on page 231
Trading Members	Intermediaries registered with a Consortium Member or a sub-broker under the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 and/or with the Stock Exchange under the applicable byelaws, rules, regulations, guidelines, circulars issued by Stock Exchange from time to time and duly registered with the Stock Exchange for collection and electronic upload of Application Forms on the electronic application platform provided by Stock Exchange.
Transaction Documents	Transaction documents shall mean this Draft Prospectus and the Prospectus read with any notices, corrigenda, addenda thereto, Issue Agreement read with the Addendum to the Issue Agreement, Registrar Agreement, Debenture Trustee Agreement, Debenture Trust Deed, Tripartite Agreements executed or to be executed by our Company, as the case may be. For further details please see the section titled, "*Material Contracts and Documents for Inspection*" on page 292.
Tripartite Agreements	Tripartite Agreement dated June 16, 2016 entered into between our Company, the Registrar to the Issue and NSDL and Tripartite Agreement dated June 17, 2016 entered into between our Company, the Registrar to the Issue and CDSL for offering demat option to the NCD Holders.
"UPI" or "UPI Mechanism"	Unified Payments Interface mechanism in accordance with SEBI Master Circular to block funds for application value upto ₹ 500,000 submitted through intermediaries, namely the Registered Stock brokers, Consortium Members, Registrar and Transfer Agent and Depository Participants.
UPI ID	Identification created on the UPI for single-window mobile payment system developed by the National Payments Corporation of India.
"UPI Mandate Request" or "Mandate Request"	A request initiated by the Sponsor Bank on the Retail Individual Investor to authorize blocking of funds in the relevant ASBA Account through the UPI mobile app/web interface (using UPI Mechanism) equivalent to the bid amount and subsequent debit of funds in case of allotment.
Wilful Defaulter(s)	Wilful defaulter means an issuer who is categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an issuer whose director or

Term	Description
	promoter is categorized as such.
Working Days	Working Day(s) shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and bank holiday in Mumbai. Furthermore, for the purpose of post issue period, i.e. period beginning from Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of Stock Exchange excluding Sundays and bank holidays in Mumbai, as per the SEBI Master Circular, however, with reference to payment of interest/redemption amount of NCDs, Working Days shall mean those days wherein the money market is functioning in Mumbai.

Conventional and General Terms or Abbreviations

Term/ Abbreviation	Description/Full Form
"₹", "Rupees", "INR" or "Indian Rupees"	The lawful currency of the Republic of India
"US$", "USD", and "U.S. Dollars"	The lawful currency of the United States of America
ACH	Automated Clearing House
AGM	Annual General Meeting
ALM	Asset Liability Management
ALM Guidelines	Guidelines for ALM system in relation to NBFCs
AMC	Asset Management Company
AIF	An alternative investment fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 as amended from time to time
ASBA	Application supported by blocked amounts
AUM	Assets Under Management
Bankruptcy Code	The Insolvency and Bankruptcy Code, 2016
BSE	BSE Limited
CAGR	Compounded annual growth rate over a specified period of time of a given value (the year-over-year growth rate)
CARE Research Report	*"Research Report on Housing Finance Industry"* prepared by CARE Analytics and Advisory Private Limited (formerly known as CARE Risk Solutions Private Limited).
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
Companies Act or Companies Act, 2013 or Act	Companies Act, 2013 and the rules made thereunder
CPC	Code of Civil Procedure, 1908
CRAR	Capital to risk-weighted assets ratio means (Tier I Capital + Tier II Capital)/ Total Risk Weighted Assets *100
CrPC	Code of Criminal Procedure, 1973
CY	Calendar Year
Depositories	CDSL and NSDL
Depositories Act	Depositories Act, 1996
Depository(ies)	NSDL and /or CDSL
DIN	Director Identification Number
"DP" or "Depository Participant"	Depository Participant as defined under the Depositories Act, 1996
DRR	Debenture Redemption Reserve
EGM	Extraordinary General Meeting
EOW	Economic Offences Wing
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time
FEMA Regulations/ FEMA	FEMA (Non-debt Instruments) Rules, 2019, as amended from time to time
FII	Foreign Institutional Investor(s)
FIR	First Information Report
FPI	Foreign Portfolio Investor as defined and registered under the SEBI (Foreign Portfolio

Term/ Abbreviation	Description/Full Form
	Investors) Regulations, 2019, as amended from time to time.
"Financial Year", "Fiscal" or "FY" or "for the year ended"	Period of 12 months ended March 31 of that particular year
GDP	Gross Domestic Product
"Government"	Government of India
G-Sec	Government Securities
GST	Goods and Services Tax
HNI	High Net worth Individual
HFC	Housing Finance Company
HUF	Hindu Undivided Family
IBC	Insolvency and Bankruptcy, 2016
ICAI	Institute of Chartered Accountants of India
IEPF	Investor Education and Protection Fund
IFRS	International Financial Reporting Standards
"Income Tax Act" or "IT Act"	Income Tax Act, 1961
Ind AS	Indian Accounting Standards as prescribed by Section 133 of the Companies Act, 2013 and notified by the Ind AS Rules
Ind AS Rules	Indian Accounting standards as prescribed by Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2015 as amended from time to time
India	Republic of India
IPC	Indian Penal Code, 1860
IRDAI	Insurance Regulatory and Development Authority of India
IT	Information Technology
ITR	Income Tax Returns
KYC	Know Your Customer
LLP	Limited Liability Partnership
LLP Act	Limited Liability Partnership Act, 2008
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic Ink Character Recognition
MLD	Market Linked Debentures
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
NACH	National Automated Clearing House
NAV	Net Asset Value
NBFC	Non-Banking Financial Company, as defined under Section 45-IA of the RBI Act
NEFT	National Electronic Fund Transfer
Nido	Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited)
NHB	National Housing Bank
NHB Act	National Housing Bank Act, 1987
NRI	Non-resident Indian
NSDL	National Securities Depository Limited
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit After Tax
PCR	Provisioning Coverage Ratio
PMLA	Prevention of Money Laundering Act, 2002
PP MLD	Principal Protected Market Linked Debentures
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
SBR Directions	Master Direction – Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023
RERA	Real Estate Regulatory Authority
RERAD Act	Real Estate Regulation and Development Act, 2016
RTGS	Real Time Gross Settlement
SARFAESI Act	Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002

Term/ Abbreviation	Description/Full Form
SCRA	Securities Contracts Regulation Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Merchant Banker Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended
SEBI NCS Regulations	Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and circulars issued thereunder
SEBI Master Circular	SEBI circular no. SEBI/HO/DDHS/PoD1/P/CIR/2023/119 dated August 10, 2021, as amended
SEBI Debenture Trustee Master Circular	SEBI circular with reference number SEBI/HO/DDHS-PoD1/P/CIR/2023/109 dated 31 March 2023 as may be amended from time to time.
Stage 1 Assets	Stage 1 Assets includes financial instruments that have not had a significant increase in credit risk (SICR) since initial recognition or that have low credit risk at the reporting date as defined under Ind AS
Stage 1 Provision	Stage 1 provision are 12-month ECL resulting from default events that are possible within 12 months after the reporting date as defined under Ind AS
Stage 2 Assets	Stage 2 Assets includes financial instruments that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment as defined under Ind AS
Stage 2 Provision	Stage 2 provision are lifetime ECL resulting from all default events that are possible over the expected life of the financial instrument as defined under Ind AS
Stage 3 Assets	Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind AS
Stage 3 Provision	Stage 3 provision are lifetime ECL resulting from all default events that are possible over the expected life of the financial instrument as defined under Ind AS
TDS	Tax Deducted at Source
Trademarks Act	Indian Trademarks Act, 1999

Technical and Industry Related Terms

Term/Abbreviation	Description/Full Form
Hybrid Debt	A capital instrument, which possesses certain characteristics of equity as well as debt
LTV	Ratio of loan to the collateral value
MFI	Microfinance institutions
NPA	Non-Performing Assets
NPL	Non-Performing Loans
NBFC-D	NBFC registered as a deposit accepting NBFC
NBFC-MFI	An NBFC-MFI is defined as a non-deposit taking NBFC which extends loans to Micro Finance Sector
NBFC-ND	NBFC registered as a non-deposit accepting NBFC
NBFC-ND-SI	Systemically important Non-Deposit taking NBFC
Owned Funds	Paid-up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account; capital reserve representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of assets; less accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any
Prudential Norms	Prudential norms as provided under SBR Directions
MSME	Micro, Small and Medium Enterprises
Tier I Capital	Tier I capital means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances

Term/Abbreviation	Description/Full Form
	including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund; and perpetual debt instruments issued by a non-deposit taking nonbanking financial company in each year to the extent it does not exceed 15% of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year.
Tier II Capital	Tier II capital includes the following: (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of fifty five percent; (c) General Provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (d) hybrid debt capital instruments; (e) subordinated debt; (f) perpetual debt instruments issued by a non-deposit taking non-banking financial company which is in excess of what qualifies for Tier I Capital to the extent the aggregate does not exceed Tier I Capital.

Notwithstanding the foregoing, the terms defined as part of "General Information", "Risk Factors" "Industry Overview", "Regulations and Policies", "Statement of Possible Tax Benefits", "Summary of Key Provisions of Articles of Association", "Financial Information" and "Other Regulatory and Statutory Disclosures" on pages 42, 16, 72, 130, 58, 283, 146 and 212, respectively shall have the meaning ascribed to them as part of the aforementioned sections. Terms not defined as part of the sections "Our Business", "Risk Factors", "Industry Overview" and "Regulations and Policies", on pages 91, 16, 72 and 130, respectively, shall have the meaning ascribed to them hereunder.

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

Certain Conventions

In this Draft Prospectus, unless otherwise specified or the context otherwise indicates or implies the terms, all references to "we", "us", "our", "Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited)" and "our Company" are to Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited). Unless stated otherwise, all references to page numbers in this Draft Prospectus are to the page numbers of this Draft Prospectus.

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

Presentation of Financial Information

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

In accordance with the Road Map for Ind AS implementation, issued by MCA, our Company is required to prepare its financial statements in accordance with Ind AS for periods beginning on or after April 1, 2018. For the purposes of disclosure in this Draft Prospectus, we have prepared and presented our Ind AS financial information for the latest Fiscals (in this case, for Fiscal 2023, 2022 and 2021). Accordingly, our Company's audited financial statements for the years ended March 31, 2023 and March 31, 2022 have been prepared in accordance with IndAS and have been audited by NGS & Co. LLP, Chartered Accountants and our Company's audited financial statements for the year ended March 31, 2021 have been prepared in accordance with IndAS and have been audited by S.R. Batliboi & Co LLP, Chartered Accountants.

The Audited Financial Statements and the respective reports on the audited financial statements, as issued by our Company's Statutory Auditors, NGS & Co. LLP, Chartered Accountants, for Fiscal 2023 and Fiscal 2022; and by the Previous Statutory Auditors, S.R. Batliboi & Co LLP, Chartered Accountants for Fiscal 2021 are included in this Draft Prospectus in "*Financial Information*" beginning at page 146.

The Unaudited Financial Results of our Company for the quarter ended December 31, 2023 and year to date from April 1, 2023 to December 31, 2023 have been prepared in accordance with recognition and measurement principles laid down in the aforesaid Ind AS 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued there-under and other accounting principles generally accepted in India and Regulation 52 of the SEBI Listing Regulations and are included in this Draft Prospectus. For further details see "*Financial Information*" on page 146. Further, Unaudited Financial Results for the quarter ended December 31, 2023 and year to date from April 1, 2023 to December 31, 2023 is not indicative of full year results and are not comparable with annual financial information. For details see "*Risk Factors – Risk Factor #16 – This Draft Prospectus includes certain unaudited financial information, which has been subjected to limited review, in relation to our Company. Reliance on such information should, accordingly, be limited.*" on page 25.

Unless stated otherwise or unless the context requires otherwise, the financial data as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 used in this Draft Prospectus is derived from the Audited Financial Statements and the financial data for the quarter ended December 31, 2023 and year to date from April 1, 2023 to December 31, 2023 and used in this Draft Prospectus, is derived from the Unaudited Financial Results.

Unless stated otherwise, macroeconomic and industry data used throughout this Draft Prospectus has been obtained from publications prepared by providers of industry information, government sources and multilateral institutions. Such publications generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Issuer believes that industry data used in this Draft Prospectus is reliable, it has not been independently verified. Further, the extent to which the market and industry data presented in this Draft Prospectus is meaningful depends on the readers' familiarity with and understanding of methodologies used in compiling such data.

Currency and Unit of Presentation

In this Draft Prospectus, all references to 'Rupees'/'₹' /'INR'/ 'Rs.' Are to Indian Rupees, the official currency of the Republic of India.

Except where stated otherwise in this Draft Prospectus, all figures have been expressed 'in millions'. All references to 'millions/million/mn.' Refer to one million, which is equivalent to 'ten lakhs' or 'ten lacs', the word 'lakhs/lacs/lac' means 'one hundred thousand' and 'crore' means 'ten million' and 'billion/bn./billions' means 'one hundred crores'.

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

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this Draft Prospectus. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

Industry and Market Data

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

General Risk

Investment in NCDs involve a degree of risk and investors should not invest any funds in NCDs unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it.

Specific attention of investors is invited to statement of risk factors contained under section "*Risk Factors*" on page 16. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the NCDs or Investor's decision to purchase such securities.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Draft Prospectus that are not statements of historical fact constitute "forward-looking statements". Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "may", "objective", "plan", "potential", "project", "pursue", "shall", "seek", "should", "will", "would", or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability, new business and other matters discussed in this Draft Prospectus that are not historical facts. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results, including our financial conditions and results of operations to differ from our expectations include, but are not limited to, the following:

- We operate in an increasingly competitive financial services industry, which creates significant pricing pressures and may adversely affect our net interest margins, income and market share;
- Performance of the financial and capital markets in India and globally;
- We are involved in certain legal and other proceedings which, if determined against us, could have a material adverse impact on our financial condition;
- Our ability to manage our credit quality;
- Changes in Indian and/or foreign laws and regulations, including tax, accounting, banking, securities, insurance and other regulations; changes in competition and the pricing environment in India; and regional or general changes in asset valuations;
- Our inability to successfully diversify our portfolio;
- Any disruption in our sources of funding;
- Our inability to obtain or maintain statutory or regulatory approvals and licenses for conducting our business;
- Performance of the Indian debt and equity markets;
- Performance of, and the prevailing conditions affecting the real estate market in India;
- Occurrence of natural calamities, pandemics, or natural disasters affecting the areas in which our Company has operations; and
- Any increase in the levels of non-performing assets ("**NPA**") on our loan portfolio, for any reason; whatsoever, would adversely affect our business and results of operations.

For further discussion of factors that could cause our actual results to differ, see "*Risk Factors*" on page 16.

All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results and valuations to differ materially from those contemplated by the relevant statement. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the sections titled "*Industry Overview*", "*Our Business*" and "*Legal and Other Information*" on pages 72, 91 and 179. The forward-looking statements contained in this Draft Prospectus are based on the beliefs of management, as well as the assumptions made by and information currently available to management. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct or will hold good at all times. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our Company's underlying assumptions prove to be incorrect, our Company's actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

Neither our Company, its Directors, its KMPs and officers, nor any of their respective affiliates or associates or the Lead Managers have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI NCS Regulations, our Company and Lead Managers will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange.

SECTION II – RISK FACTORS

An investment in this type of security involves a certain degree of risk. The investor should carefully consider all the information contained in this Draft Prospectus, including the risks and uncertainties described below, before making an investment decision. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risks that may arise in connection with our business or any decision to purchase, own or dispose of the Debentures. Additional risks, which are currently unknown, if materializes, may in the future have a material adverse effect on our business, financial condition and results of operations. The market prices of the NCDs could decline due to such risks and you may lose all or part of your investment.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. This Draft Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Draft Prospectus. Unless otherwise stated, the financial information used in this section is derived from and should be read in conjunction with Audited Financial Statements and Unaudited Financial Results as included in this Draft Prospectus.

1. ***We are an HFC and therefore 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.***

   Our business is highly-regulated. The operations of an HFC in India are subject to various regulations framed by the Ministry of Corporate Affairs, the NHB and RBI, 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 and filings including but not limited to filing of forms and declarations with the relevant registrar of companies, RBI and the NHB. As per the RBI Master Directions, every HFC is required to maintain a minimum capital adequacy ratio, consisting of Tier I capital and tier II capital. Currently HFCs are required to comply with a CRAR, consisting of Tier I and Tier II capital of at least 15% on or before March 31, 2022 and thereafter, of its aggregate risk weighted assets and of risk adjusted value of off-balance sheet items. In particular, at no point can our total Tier II capital exceed 100% of the Tier I capital. For further details, see "*Regulations and Policies*" on page 130. This ratio is used to measure an HFC's capital strength and to promote the stability and efficiency of the housing finance system. Our capital adequacy ratio, calculated in accordance with Ind AS, was 34.84%, 32.06%, 28.28% and 26.49% as at December 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021 respectively.

   As our asset book grows further our CRAR may decline and this may require us to raise fresh capital. There is no assurance that RBI 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.

   The requirement for compliance with such applicable regulations presents a number of risks, particularly in areas where applicable regulations may be subject to varying interpretations. Further, if the interpretations of the regulators and authorities with respect to these regulations vary from our interpretation, we may be subject to penalties and the business of our Company could be adversely affected.

   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.

   While our Company will endeavour to comply with laws and regulations, we cannot assure you that our Company will be in compliance with the various regulatory and legal requirements in a timely manner or at all. Further, 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.

2. ***We require substantial capital for our business, and any disruption in our sources of capital could have an adverse effect on our business, results of operations and financial condition.***

Our business and results of operations depend on our ability to raise capital from external sources on a timely manner and on term suitable to us. Historically, our financing requirements have been met from several sources, both debt and equity, including refinancing from the NHB, term loans, working capital loans and issuance of non-convertible debentures to meet our capital requirements. We also monetize loans through securitization to banks and financial institutions. Our business thus depends and will continue to depend on our ability to continually access these sources of capital.

Our ability to raise funds on acceptable terms, at competitive rates and in a timely manner, depends on various factors including our credit ratings, our brand equity, our risk management policies, our current and future results of operations and financial condition, the regulatory environment and policy initiatives in India and developments in the international markets affecting the Indian economy including the effect of events such as the COVID-19 pandemic. The HFCs and NBFCs in general have anyway been facing difficulties in raising resources after the collapse of a AAA rated financial services company in September 2018.

Further, changes in economic, regulatory and financial conditions or any lack of liquidity in the market could adversely affect our ability to access funds at competitive rates, which could adversely affect our liquidity and financial condition. Our ability to raise debt to meet our financing requirements is also restricted by the limits prescribed under applicable regulations. For example, the RBI Master Directions permitted HFCs to borrow up to 14 times their net owned funds ("**NOF**") until March 31, 2020, after which this limit was reduced to 13 times of their NOF on and March 31, 2021 and 12 times of their NOF until and after March 31, 2022. As of December 31, 2023 March 31, 2023, March 31, 2022, and March 31, 2021, our Total Borrowings/NOF ratio was 2.62, 2.46, 3.18 and 4.97 respectively.

Consequently, if we are unable to obtain adequate financing in a timely manner and on commercially reasonable terms, our business, results of operations and financial condition may be adversely affected.

3. ***Any negative events affecting the Indian real estate sector could adversely affect the value of the collateral for our loans, our business and result of operations.***

Our lending products include housing loans and secured business loans and affordable housing project loans. Our AUM is exposed to the real estate sector as the underlying security on these loans is primarily mortgages. In the event the real estate sector is adversely affected due to any reason whatsoever, including without limitation, the passing of any stringent norms regarding construction, floor space index or other compliances, the value of our collateral may diminish which may affect our business and results of operations in the event of a default in repayment by our clients. Also, if any of the projects which form part of our collateral are stalled for any reason for any length of time, the same may affect our ability to enforce our security, thereby effectively diminishing the value of such security.

The primary security for the loans disbursed by us is the underlying property; the value of this security is largely dependent on housing market conditions prevalent at that time, as well the quality of the construction and the relevant developer. The value of the collateral on the loans disbursed by us may decline due to adverse market conditions including an economic downturn or a downward movement in real estate properties. In the event the real estate sector is adversely affected due to a decline of demand for real properties, changes in regulations or other trends or events, which negatively impact the real estate sector, the value of our collateral may diminish which may affect our business and results of operations. Failure to recover the expected value of collateral could expose us to losses and, in turn, result in a material adverse effect on our business, results of operations, cash flows 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 collateral and take certain other actions, including taking over the management of the business of the borrower, and which includes our right to transfer (in any manner) the underlying collateral 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 its collateral, in full or in part. The Debt Recovery Tribunal ("**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. Therefore, there can be no assurance that we will be able to foreclose on collateral on a timely basis, or at all, and if we are able to foreclose on the collateral, that the value will be sufficient to cover the outstanding amounts owed to us which may result in a material adverse effect on our business, results of operations, cash flows and financial condition.

4. ***Our business is vulnerable to interest rate volatility and we will be impacted by any volatility in such interest rates in our operations, which could cause our net interest margins to decline and adversely affect our profitability.***

A significant component of our income is the interest income we receive from the loans we disburse. Our interest income is affected by any volatility in interest rates in our lending operations. Interest rates are highly volatile due to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions.

If there is an increase in the interest rates that we pay on our borrowings, which we are unable to pass to our customers, we may find it difficult to compete with our competitors, who may have access to lower cost funds. Further, we may lend money on a long-term, fixed interest rate basis, typically without an escalation clause in our loan agreements. Any increase in interest rates over the duration of such loans may result in our losing potential interest income. Our failure to pass on increased interest rates on our borrowings may cause our net interest income to decline, which would decrease our return on assets and could adversely affect our business, future financial performance and result of operations.

Moreover, when interest rates decline, we are subject to greater re-pricing and prepayment risks as borrowers take advantage of the attractive interest rate environment. In periods of low interest rates and high competition among lenders, borrowers may seek to reduce their borrowing cost by asking lenders to re-price loans. If we are required to restructure loans, it could adversely affect our profitability. If borrowers prepay loans, the return on our capital may be impaired if we are not able to deploy the received funds at similar interest rates.

5. ***Any increase in the levels of non-performing assets, for any reason whatsoever, would adversely affect our business, results of operations and financial condition.***

As of December 31, 2023, 2.61%, 0.09%, 3.20% and 0.25% of our Loan Book were non-performing loans from Housing loans to Individuals, Housing Loans to Corporates, Non-Housing Loans to Individuals and Non-Housing Loans to Others, respectively.

Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, as amended (the "**RBI Directions**"), which are applicable to us, have laid down prudential norms with regard to NPAs, including in relation to the identification of NPAs and income recognition against NPAs, though we follow Ind AS for income recognition against NPAs. There is no assurance that our NPA level will continue to stay at its current level. If the credit quality of our Loan Book deteriorates or we are unable to implement effective monitoring and collection methods, our results of operations and financial condition may be adversely affected. As we intend to continue our efforts to originate new loans, we cannot assure you that there will not be significant additional NPAs in the future.

Further, the RBI Directions on NPAs may become more stringent than they currently are, which may adversely affect our profitability and results of operations. The RBI Directions also prescribe the provisioning required in respect of our outstanding Loan Book. However, we follow Ind AS for provisioning as per the RBI Directions. In the event that the aggregate impairment provision under Ind AS 109 is lower than that required under the Income Recognition, Asset Classification and Provisioning Norms, then the difference shall be appropriated from the Net Profit or loss after tax to a separate "Impairment Reserve". Should the overall credit quality of our Loan Book deteriorate, the current level of our provisions may not be adequate to cover further increases in the amount of our NPAs. As of December 31, 2023, our gross NPAs, as a percentage of our gross loans, were 2.24% and our net NPAs as a percentage of our gross loans were 1.61%**.** Our provisions for NPAs (ECL provision for Stage 3) as at December 31, 2023, March 31, 2023, March 31, 2022, and March 31, 2021, were ₹ 184.08 million, ₹ 138.63 million, ₹ 167.78 million and ₹ 131.73 million respectively, representing a specific provision coverage ratio of 27.86%, 23.60%, 26.75% and 10.33% respectively of our gross NPAs on Loan Book in those periods/years respectively.

If we are required to increase our provisioning in the future due to increased NPAs or the introduction of more stringent requirements in respect of loan loss provisioning, this may reduce our profit after tax and adversely impact our results of operations. We cannot assure you that there will not be a significant increase in the portion of our loans that are classified as NPAs as our loan portfolio matures.

A significant number of our customers are part of the low and middle income segment and are generally more likely to be affected by declining economic conditions than larger corporate borrowers. If our customers are unable to meet their financial obligation in a timely manner, then it could adversely affect our results of operation. Any negative trends or financial difficulties particularly among our borrowers could increase the level of non-performing assets in our portfolio and adversely affect our business and financial performance. If a significant number of our customers are unable to meet their financial obligations in a timely manner it may lead to an increase in our level of NPAs. If we are not able to prevent increases in our level of NPAs, our business and our future financial performance could be adversely affected.

6. ***We may face asset-liability mismatches, which could affect our liquidity and consequently affect our operations and financial performance adversely.***

We may also face potential liquidity risks due to mismatches in the maturity of our assets and liabilities. Such mismatches, where the financial terms of an institution's assets and liabilities do not match, are a key financial parameter for us. As is typical for a company in the business of lending, a portion of our funding requirements is met through short and medium -term funding sources such as bank loans, non-convertible debentures, refinancing from the NHB, commercial paper, or cash credit. We may be unable to obtain additional credit facilities or renew our existing credit facilities for matching the tenure of our liabilities in a timely and cost-effective manner or at all, may lead to mismatches between our assets and liabilities leading to an increase in liquidity risk, which in turn may adversely affect our operations and financial performance.

The following table describes the ALM of our Company as on September 30, 2023:

(₹ in million)

	Up to 30/31 days	**More than 1 month to 2 months**	**More than 2 months to 3 months**	**More than 3 months to 6 months**	**More than 6 months to 1 year**	**More than 1 year to 3 years**	**More than 3 years to 5 years**	**More than 5 years**	**Total**
Deposit	-	-	-	-	-	-	-	-	-
Gross Advances	371.55	388.43	531.90	2,122.47	4,048.36	7,883.43	1,830.84	11,069.28	28,246.25
Investments	15.59	14.98	14.40	39.92	66.89	152.71	58.84	1,894.07	2,257.40
Borrowings	7.40	7.40	1,480.90	756.60	1,732.45	8,440.79	1,958.26	1,812.05	16,195.85
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Current Liabilities	-	-	-	-	-	-	-	-	-

7. ***Our Company is subject to certain restrictive covenants in our loan documents, which may restrict our operations and ability to grow and may adversely affect our business.***

As of April 5, 2024, March 31, 2023 and December 31, 2023, our total borrowings were ₹ 18,403.37 million, ₹ 18,474.38 million and ₹ 16,426.46 million, respectively. Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the cash generated by our business, which depends on the timely repayment by our customers. There are restrictive covenants in the facility agreements and other lending agreements/ sanction letters we have entered into with our lenders that limit our ability to undertake certain types of transactions, any of which could adversely affect our business, results of operations and financial condition. These restrictive covenants require us to maintain certain financial ratios and seek the prior permission of these banks/financial institutions for various activities, including, amongst others, selling, leasing, transferring or otherwise disposing of any part of our business or revenues, effecting any scheme of amalgamation or reconstitution, implementing a new scheme of expansion, taking up an allied line of business or making any amendments to Memorandum and Articles of Association etc. Such restrictive covenants in our loan documents may restrict our operations or ability to expand and may adversely affect our business.

We have applied to our lenders/ trustees and have received consents from our lenders/ trustees (as applicable) in relation to this Issue.

Any failure to observe the covenants under our financing arrangements or to obtain necessary consents required thereunder may lead to the termination of our credit facilities, acceleration of all amounts due under such facilities and the enforcement of any security provided. Any acceleration of amounts due under such facilities may also trigger cross default provisions under our other financing agreements. If the obligations under any of our financing documents are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. Further, during any period in which we are in default, we may be unable to raise, or face difficulties raising further financing. Any of these circumstances could adversely affect our business, credit rating and financial condition, cash flows and results of operations. Due to moratorium pursuant to Covid-19 we witnessed in few instance the different methodology of amortization schedule was followed by the banks and also in some case the confirmation/communication for the final grant of moratorium was delayed by the bank due to lack of clarity. As a result, our Company had to repay the principal and interest on a date later than the due date determined by the bank, immediately on receiving communication from the bank regarding grant of moratorium.

If we fail to meet our debt service obligations or covenants provided under the financing agreements, the relevant lenders could declare us to be in default under the terms of our agreements or accelerate the maturity of our obligations. We cannot assure you that, in the event of any such acceleration, we will have sufficient resources to repay the borrowings.

8. ***Our statutory auditors have highlighted certain emphasis of matters to their audit reports relating to our audited financial statements, which may affect our future financial results*.**

The Auditor's Report on the Audited Ind AS Financial Statements issued by our statutory auditors for the Fiscal 2022 and 2021, included the following Emphasis of Matter. However, the auditor's opinion was unmodified:

Fiscal Year	Summary of Qualifications or reservations or emphasis of matter or adverse remarks or other observations by auditors in the review report/ audit report / CARO
2022-23	The auditor report dated May 8, 2023 on the Audited Ind AS Financial Statement as at and for the year ended March 31, 2023, included as an Annexure, a statement on certain matters by the Companies (Auditor's Report) Order, 2020 ("**the Order**") to indicate: (i) In respect of loans and advances in the nature of loans, granted by the Company as part of its business, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Having regard to the voluminous nature of loan transactions, it is not practicable to furnish entity-wise details of amount, due date for repayment or receipt and the extent of delay (as suggested in the Guidance Note on CARO 2020, issued by the Institute of Chartered Accountants of India for reporting under this clause) in this report, in respect of loans and advances which were not repaid / paid when they were due or were repaid / paid with a delay, in the normal course of lending business. Further, except for those instances where there are delays or defaults in repayment of principal and / or interest as at the balance sheet date, in respect of which the Company has disclosed asset classification / staging of loans in note 10.1(a) to the financial statements in accordance with Indian Accounting Standards (Ind AS) and the guidelines issued by the Reserve Bank of India, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable. (ii) In respect of loans and advances in the nature of loans, the total amount overdue for more than ninety days as at March 31, 2023 and the details of the number of such cases, are disclosed in note 10.1(a) to the financial statements. In such instances, in our opinion, reasonable steps have been taken by the Company for recovery of the overdue amount of principal and interest. According to the information and explanation given to the auditors, there are no dues of provident fund, employee state insurance, service tax, goods and service tax and cess which have not been deposited with the appropriate authorities on account of any dispute. The provisions relating to duty of excise, duty of custom, sales tax, value added tax and cess are not applicable to the Company. The dues outstanding in respect of income tax on account of dispute, are as follows:

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<tr><th>Name of the statute</th><th>Nature of dues</th><th>Amount
(₹)</th><th>Period to which the amount relates</th><th>Forum where dispute is pending</th></tr>
<tr><td>Income Tax Act,1961</td><td>Income Tax</td><td>4,45,523</td><td>AY 2020-21</td><td>CIT(A)</td></tr>
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<td>2021-22</td>
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The auditor report dated May 6, 2022, on the Audited Financial Statement as at and for the year ended March 31, 2022, included:
Emphasis of matter
We draw your attention to Note 46.1(j) to the Financial Statement, which describes the economic and social disruption as a result of COVID-19 pandemic of the Company's business and financial metrics including the Company's estimates of impairment of loans to customers and investments which are highly dependent on uncertain future developments. Our opinion as not modified in respect of this matter.
Other Matter
The Comparative Ind AS financial statements of the Company for the year ended March 31, 2021, included in these standalone Ind AS financial statements, have been audited by the previous auditor, who issued unmodified opinion on those financial statements on June 4, 2021.
The report also included as an Annexure, a statement on certain matters by the Companies (Auditor’s Report) Order, 2020 (“the Order”) to indicate:
(i) In respect of loans and advances in the nature of loans, granted by the Company as part of its business, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Having regard to the voluminous nature of loan transactions, it is not practicable to furnish entity-wise details of amount, due date for repayment or receipt and the extent of delay (as suggested in the Guidance Note on CARO 2020, issued by the Institute of Chartered Accountants of India for reporting under this clause) in this report, in respect of loans and advances which were not repaid / paid when they were due or were repaid / paid with a delay, in the normal course of lending business.
Further, except for those instances where there are delays or defaults in repayment of principal and / or interest as at the balance sheet date, in respect of which the Company has disclosed asset classification / staging of loans in note 10.1(a) to the financial statements in accordance with Indian Accounting Standards (Ind AS) and the guidelines issued by the Reserve Bank of India, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.
(ii) In respect of loans and advances in the nature of loans, the total amount overdue for more than ninety days as at March 31, 2022 and the details of the number of such cases, are disclosed in note 10.1(a) to the financial statements. In such instances, in our opinion, reasonable steps have been taken by the Company for recovery of the overdue amount of principal and interest.
(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that no fraud by the Company has been notice or reported during the year. However, in case of fraud on the Company, the Company has identified and reported 3 criminal frauds amounting to Rs. 29.75 million where the forged documents were submitted by the borrowers.
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<td>2020-21</td>
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The auditor’s report dated June 4, 2021 issued by the Previous Auditor on the Audited Ind AS Financial Statement as at and for the year ended March 31, 2021, included:
Emphasis of matter
The auditor’s draw attention to note 46.1.(j) to the Financial Statement, which describes the economic and social disruption as a result of COVID-19 pandemic of the Company’s business and financial metrics including the Company’s estimates of impairment of loans to customer’s and Investments which are highly dependent on uncertain future developments. Our opinion is not modified in respect of this matter.
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For further details, see "*Financial Information*" on page 146. There can be no assurance that our statutory auditors will not include further matters of emphasis or other similar comments in the audit reports to our audited financial statements in the future, or that such remarks or matters of emphasis will not affect our financial results in future fiscal periods. Investors should consider the matters of emphasis and remark in evaluating our financial condition, results of operations and cash flows. Any such matter of emphasis or remark in the auditors' report on our financial statements in the future may also adversely affect the trading price of the NCDs.

9. ***We may not be able to obtain, renew or maintain statutory and regulatory permits and approvals required to operate our business may materially and adversely affect our business and results of operations.***

HFCs in India are subject to extensive government regulation, and we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in India, generally for carrying out our business. These include registration with the RBI for carrying out business as an HFC. We are also required to maintain licenses under various applicable national and state labour laws in force in India for some of our offices and with regard to some of our employees. In addition, our branches are required to be registered under the relevant shops and establishments laws of the states in which they are located. The shops and establishment laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. While we currently possess or have applied for renewals of certain licenses, including shops and establishment licenses for some of our branches, there can be no assurance that the relevant authorities will renew these in the anticipated timeframe, or at all. In addition, we may apply for more approvals.

A majority of these approvals are granted for a limited duration and are subject to numerous conditions. We cannot assure you that these approvals would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Additionally, failure by us to comply with the terms and conditions to which such licenses, approvals, permits or registrations are subject, and/or to renew, maintain or obtain the required licenses, approvals, permits or registrations may result in the interruption of our operations and may have a material adverse effect on our business, financial condition, cash flows and results of operations.

10. ***In order to sustain our growth, we will need to maintain a minimum capital adequacy ratio. We may not be able to maintain our capital adequacy ratio, which could adversely affect our business.***

The RBI Directions currently require HFCs to comply with a capital to risk (weighted) assets ratio, or capital adequacy ratio ("**CRAR**"), consisting of Tier I and Tier II capital.

Pursuant to RBI regulations, HFCs are currently required to maintain a minimum capital to risk (weighted) assets ratio ("**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 15% on or before March 31, 2023 and thereafter. This ratio is used to measure an HFC's capital strength and to promote the stability and efficiency of the housing finance system. As of December 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2023, our CRAR (%) was 34.84%, 32.06%, 28.28% and 26.49%, respectively. 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 favorable terms, in a timely manner or at all. As we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I and Tier II capital in order to remain in compliance with the applicable capital adequacy ratios. Further, the NHB may increase its current CRAR requirements or risk weight for assets, which may require us to raise additional capital. We cannot assure you that we will be able to raise adequate additional capital in the future on terms favourable to us, or at all, which may adversely affect the growth of our business.

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

Credit ratings reflect the opinions of ratings agencies on our financial strength, operating performance, strategic position and ability to meet our obligations. For details of our current credit ratings, see "*Our Business – Credit Rating*" on page 106. Any downgrade in our credit ratings may increase interest rates for refinancing our outstanding debt, which would increase our financing costs, and adversely affect our future issuances of debt and our ability to borrow on a competitive basis, which may adversely affect our business, financial condition, results of operations and cash flows.

Further, any downgrade in our credit ratings may also trigger an event of default or acceleration of certain of our borrowings and also lead to lenders imposing additional terms and conditions to any financing or refinancing arrangements we enter into in the future and adversely affect our business, results of operations and financial condition.

12. ***We depend on the accuracy and completeness of information provided by our potential borrowers and third -party service providers. Our reliance on any misleading information given by potential borrowers may affect our judgment of credit worthiness of potential borrowers, and the value of and title to the collateral, which may affect our business, results of operations, cash flows and financial condition.***

While we have a well-established and streamlined credit appraisal process, there can be no assurance that information furnished to us by potential borrowers and analysis of the information by independent valuers or the independent searches conducted by us with credit bureaus, or the on-site verification conducted by our empaneled third-party agencies will be accurate, and our reliance on such information given by potential borrowers may affect our judgment of the credit worthiness of potential borrowers, and the value of and title to the collateral, which may affect our business, results of operations, cash flows and financial condition. Difficulties in assessing credit risks associated with our day-to-day lending operations may lead to an increase in the level of our non-performing assets, which could adversely affect our business and results of operations.

13. ***We may be unable to realize the expected value of collateral when borrowers default on their obligations to us, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.***

The primary security for the loans disbursed by us is the underlying property and any inability to realise full value of this collateral could expose us to losses and, in turn, result in a material adverse effect on our business, results of operations, cash flows and financial condition. We follow internal risk management guidelines in relation to portfolio monitoring which, *inter alia*, include periodic assessment of loan to security value on the basis of conservative market price levels and ageing analysis amongst others. However, we may not be able to realize the full value of the collateral or the value of our collateral may diminish, as a result of the following, among other factors, which may affect our business and results of operations:

- defects or deficiencies in the perfection of collateral (including due to inability to obtain any approvals that may be required from third parties);
- fraud by borrowers;
- errors in assessing the value of the collateral;
- illiquid market for the sale of the collateral; and
- applicable legislative provisions or changes thereto and past or future judicial pronouncements.

There is no assurance that we will be able to realise the full value of our security, due to the aforesaid factors and among other things, delays on our part to take immediate action, economic downturns, adverse court orders and fraudulent transfers by borrowers. In the event that a specialised regulatory agency asserts jurisdiction over the enforcement proceedings, creditor actions can be further delayed. There can therefore be no assurance that we will be able to foreclose on collateral on a timely basis, or at all, and if we are able to foreclose on the collateral, that the value will be sufficient to cover the outstanding amounts owed to us, which could have an adverse effect on our financial condition, results of operations and cash flows.

14. ***Our Company and its Promoters and Directors are involved in certain legal and other proceedings. Any final judgment awarding material damages against us or our Promoters or Directors could have a material adverse impact on our future financial performance and our stockholders.***

Our Company and its Promoters and Directors are currently involved in litigations (including civil or criminal, consumer and tax related proceedings). These proceedings are pending at different levels of adjudication before various forums including courts and tribunals. The majority of these cases arise in the normal course of business and we believe, based on the facts of the cases and consultation with counsel, that these cases generally do not involve the risk of a material adverse impact on our financial performance or stockholders' equity. We estimate the probability of losses that may be incurred in connection with legal and regulatory proceedings as of the date on which our standalone financial statements are prepared. We recognize a provision when we have a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

We determine the amount of provision based on our estimate of the amount required to settle the obligation at the balance sheet date, supplemented by our experience in similar situations. We review provisions at each balance sheet date and adjust them to reflect current estimates. In cases where the available information indicates that a loss is reasonably possible but the amount of such loss cannot be reasonably estimated, we make a disclosure to this effect in the standalone financial statements. In certain instances, present and former employees have instituted legal and other proceedings against us alleging irregularities. When there is only a remote risk of loss, we do not recognize a provision nor do we include a disclosure in the standalone financial statements.

Although we intend to defend or appeal any adverse order in relation to these proceedings, we will be required to devote management and financial resources in their defence or prosecution. If a significant number of these disputes are determined against our Company and its Promoters and if our Company or its Promoters are required to pay all or a portion of the disputed amounts or if they are unable to recover amounts for which recovery proceedings have been filed, there could be an adverse impact on our reputation, business, results of operations and financial condition.

A summary of the outstanding proceedings involving our Company, Directors, Promoter and Group Companies in accordance with requirements under the SEBI NCS Regulations, as disclosed in this Draft Prospectus, to the extent quantifiable, have been set out below:

Name	**Criminal Proceedings**	**Tax Proceedings**	**Statutory or Regulatory Proceedings**	**Disciplinary actions by the SEBI or Stock Exchanges**	**Material Civil Litigations**	**Aggregate amount involved (in ₹)**
Company						
By the Company	24	Nil	Nil	Nil	Nil	114.19 million
Against the Company	1	Nil	3	Nil	Nil	31.26 million
Directors						
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Promoters						
By the Promoters	2	Nil	Nil	Nil	Nil	Not quantifiable
Against the Promoters	5	Nil	2	Nil	2	213.10 million
Subsidiaries						
By the Subsidiaries	NA	NA	NA	NA	NA	NA
Against the Subsidiaries	NA	NA	NA	NA	NA	NA

For further details in relation to legal proceedings, see the section titled "*Outstanding Litigations*" on page 179.

15. ***As on December 31, 2023, our Company's top 20 borrowers represented 17.66% of our total loan book. Our inability to maintain relationships with these customers or any payment default by or credit losses of these customers could materially and adversely affect our business, future financial performance and results of operations.***

As on December 31, 2023, our Company's top 20 borrowers accounted for 17.66% of our total loan book. Our business and results of operations will be adversely affected if we are unable to maintain or further develop relationships with such significant customers. There can be no assurance that we will be able to maintain the historic levels of business from such significant customers. Further, in the event we lose any such significant customer, we cannot assure that we will be able to replace them, which could have a material adverse effect on our results of operations. Our business and results of operations depend upon the timely repayment of the interest and principal from our significant customers. We cannot assure you that we will not experience delays in servicing of the loan advanced or that we will be able to recover the interest and the principal amount of the loan. Any such delay or default will adversely affect our income from operations and consequently, our profitability. In case we are unable to recover the full amount of principal and interest or any part of thereof, and the collateral is not sufficient to recover the full amount, our financial condition may be adversely affected.

16. ***This Draft Prospectus includes certain unaudited financial information, which has been subjected to limited***

review, in relation to our Company. Reliance on such information should, accordingly, be limited.

This Draft Prospectus includes certain unaudited financial information, which has been subjected to limited review by our Statutory Auditors, in relation to our Company. This Draft Prospectus includes Unaudited Financial Results in relation to our Company for the quarter ended December 31, 2023 and year to date from April 1, 2023 to December 31, 2023, in respect of which the Auditors have issued the limited review report dated January 23, 2024. As the limited review financial information prepared by our Company in accordance with Regulation 52 of the SEBI LODR Regulations have been subject only to a limited review and as described in Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information" Performed by the Independent Auditor of the Entity" issued by the ICAI. Any reliance by prospective investors on such limited review financial information for the quarter ended December 31, 2023 and year to date from April 1, 2023 to December 31, 2023 should, accordingly, be limited.

Any financial results published in the future may not be consistent with past performance. Accordingly, prospective investors should rely on their independent examination of our financial position and results of operations, and should not place undue reliance on, or base their investment decision solely on the financial information included in this Draft Prospectus.

17. ***We are exposed to operational risks, including employee negligence, petty theft, burglary and embezzlement and fraud by employees, agents, customers or third parties, which could harm our results of operations and financial position.***

We are exposed to many types of operational risks, including the risk of fraud or other misconduct by employees or outsiders, unauthorized transactions by employees, inadequate training and operational errors, improperly documented transactions, failure of operational and information security procedures, computer systems, software or equipment. We attempt to mitigate operational risk by maintaining a comprehensive system of internal controls, establishing systems and procedures to monitor transactions, maintaining key back-up procedures, undertaking regular contingency planning and providing employees with continuous training. Although we carefully recruit all our employees, we have in the past been subject to fraudulent acts committed by our employees or third parties. For details relating to frauds see the section titled "*Outstanding Litigations*" on page 179.

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

Prior to the notification of the NHB Act Amendments, we were subject to periodic inspection by the NHB under the NHB Act, 1987 ("**NHB Act**"), wherein the NHB inspected our books of accounts and other records for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the NHB or for obtaining any information, which we may have failed to furnish when called upon to do so. However, pursuant to the NHB Act Amendments, the RBI will also have the power to conduct such inspections, in addition to the NHB. In its past inspection reports, the NHB has identified certain deficiencies in our operations, made certain observations in relation to our operations and has sought certain clarifications on our operations. Our Company has responded to NHB concerning its observations and has provided information and clarifications sought by the NHB. The observations were pursuant to routine inspections of NHB.

While we attempt to be in compliance with all regulatory provisions applicable to us, in the event that we are unable to comply with the observations made by the NHB in the past or comply with NHB's or RBI's directions at any time in the future, we could be subject to penalties and restrictions which may be imposed by the NHB or RBI. Imposition of any penalty or adverse finding by the NHB or RBI during any future inspection may have a material adverse effect on our reputation, business, financial condition, results of operations and cash flows.

19. ***We rely significantly on our information technology systems for our business and operations. A failure, inadequacy or security breach in our information technology and telecommunication systems may adversely affect our business, results of operations, cash flows 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 and other data processing systems, management information systems and our corporate website may fail to operate adequately or become disabled as a result of events beyond our control, including a disruption of electrical or communications services. We may also face risks relating to migration to a new IT infrastructure.

Our systemic and operational controls may not be adequate to prevent adverse impact from frauds, errors, hacking and system failures. Further, customer applications and interfaces, may be open to being hacked or compromised by third parties, resulting in thefts and losses to our customers and to us. Some of these cyber threats from third parties include: (a) phishing and trojans – targeting our customers, wherein fraudsters send unsolicited mails to our customers seeking account sensitive information or to infect customer machines to search and attempt ex -filtration of account sensitive information; (b) hacking – wherein attackers seek to hack into our website with the primary intention of causing reputational damage to us by disrupting services; (c) data theft – wherein cyber criminals may attempt to intrude into our network with the intention of stealing our data or information; (d) ransomware – a malware which threatens to block or publish data unless a ransom is paid a©(e) advanced persistency threat – network attack in which an unauthorized person gains access to our network and remains undetected for a long period of time. In addition, post the lockdown imposed by the government, there has been a recent increase in electronic transactions which increases the risk of cyber-attacks. The intention of these attacks could be to steal our data or information, or to shut down our systems and only release them for a fee. Attempted cyber threats fluctuate in frequency but are generally not decreasing in frequency.

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 operations, cash flows and financial condition.

20. ***We do not own our branch offices, including our registered office. Any termination or failure by us to renew the lease/ leave and license agreements in a favorable and timely manner, or at all, could adversely affect our business and results of operations. Moreover, few of the lease/ leave and license agreements entered into by us may not be duly registered or adequately stamped.***

Our branch offices including our registered office are located on leased or licensed premises. Our Registered Office are located on a premise which is owned by Edelweiss Rural and Corporate Services Limited, our Promoter. The lease agreements can be terminated, and any such termination could result in any of our offices being shifted or shut down. Some of the lease/ leave and license agreements may have expired in the ordinary course of business and we are currently involved in negotiations for the renewal of these lease/ leave and license agreements.

While we have not faced major issues renewing the leases of our offices in the past, if these lease/ leave and license agreements are not renewed or not renewed on terms favorable to us, we may suffer a disruption in our operations or increased costs, or both, which may affect our business and results of operations. Further, some of our lease/ leave and license agreements may not be adequately stamped or duly registered. Unless such documents are adequately stamped or duly registered, such documents may be rendered inadmissible as evidence in a court in India or may not be authenticated by any public officer and the same may attract penalty as prescribed under applicable law or may impact our ability to enforce these agreements legally, which may result in an adverse effect on the continuance of our operations and business.

21. ***We may experience difficulties in expanding our business.***

We are focused on growth, dispersed risk-retail lending. As part of our growth strategy, we continue to evaluate attractive growth opportunities to expand our business. We intend to further improve the diversity of our product portfolio as well as increase the granularity of our Loan Book while catering to the financial needs of our customers. Offering a wide range of products will help us attract more customers thereby increasing our scale of operations. To address these challenges and requirements, we may have to make significant investments that may not yield desired results or incur costs that we may not recover. We may not be able to expand our current operations or the new products we launch may not cater to the financial needs of our customers, which may adversely affect our business prospects, financial condition, cash flows and results of operations.

22. ***We may have to comply with stricter regulations, directions and guidelines issued by regulatory authorities in India, including the NHB and RBI, which may increase our compliance costs, divert the attention of our management and subject us to penalties.***

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

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

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

Further, pursuant to the NHB Act Amendments which came into force on August 9, 2019, and read with the 'Master Direction – Exemptions from the RBI Act, 1934 dated November 24, 2020, amongst others, (i) existing exemptions available to HFCs under the RBI Act have been withdrawn and accordingly the RBI has the power to determine policy and issue instructions in relation to housing finance institutions; and (ii) the RBI has the power to regulate by specifying conditions or prohibit the issue by any HFC which is a company of any prospectus or advertisement soliciting deposits of money from the public. The NHB Act Amendments also provide for certain powers to be exercised by the RBI concurrently with the NHB, such as the power to conduct inspections and request for documents from the HFCs.

Further, pursuant to the amendments to the 'Master Direction – Exemptions from the RBI Act, 1934 dated November 24, 2020, sections 45 – IA, 45 -IB and 45 – IC of the RBI Act, which deal with requirement of registration and net owned fund, maintenance of percentage assets, and the setting up and maintenance of a reserve fund are not applicable to HFCs.

On June 17, 2020, the RBI released proposed changes to be undertaken in the regulatory framework for HFCs post the transfer of regulation of HFCs from NHB to the RBI with effect from August 9, 2019, for public comments ("**Draft Framework**"). These included changes such as (a) defining principal business and qualifying assets for HFCs; (b) defining the phrase 'providing finance for housing' or 'housing finance'; (c) classification of HFCs as systematically important or non-systematically important; and (d) applicability of liquidity risk framework, liquidity coverage ratio, and securitisation of NBFCs to HFCs.

Basis the inputs received in relation to the Draft Framework, the RBI issued a revised framework for regulating the HFCs by way of its circular dated October 22, 2020 ("**Revised HFC Framework**")- this framework has been replaced by RBI with the RBI Directions. Pursuant to the Revised HFC Framework, the RBI has, amongst others, (a) exempted HFCs from the applicability of section 45-IB and 45-IC of the RBI Act. However, relevant notifications in this regard are yet to be issued; (b) increased the minimum net owned fund requirement for HFCs from ₹ 100 million to ₹ 200 million; and (c) extended applicability of regulations applicable on NBFCs to HFCs pertaining to monitoring of frauds, information technology framework and implementation of Indian Accounting Standards for impairment allowances and regulatory capital.

Further, pursuant to the Revised HFC Framework, the SBR Directions have been made applicable on various aspects including loan against security of shares and gold jewellery, securitisation transactions, managing risk and code of conduct in outsourcing, liquidity risk management framework and liquidity coverage ratio.

Activities of HFCs, are primarily regulated by the RBI and supervised by the NHB, including various aspects of our business such as definition of housing finance and housing finance company, net owned fund requirement, capital adequacy, sourcing of funds, on-boarding of customers, credit approval and risk management and asset classification and provisioning. Accordingly, there may be further scrutiny and instructions from the RBI in relation to the regulation of HFCs. If we fail to comply with such requirements, we may be subject to penalties or compounding proceedings.

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

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

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

23. ***We assign a portion of our loan assets to banks and other institutions. Any deterioration in the performance of any pool of receivables assigned to banks and other institutions may adversely impact our financial performance and/or cash flows and/or our ability to initiate or execute assignment transactions in future.***

As part of our means of raising and/or managing our funds, we assign a portion of the receivables from our loan portfolio to banks and other institutions. Such assignment transactions are conducted on the basis of our internal estimates of our funding requirements, which may vary from time to time.

Such assignment transactions are conducted on the basis of our internal estimates of our funding requirements, which may vary from time to time. In Fiscals 2023, 2022 and 2021, our fresh securitisation by way of pass through certificates ("**PTC**") or assignment of loan assets at book value were as under:

(₹ in million)

Fiscal Year	Direct Assignment ("DA")	Investors' Share	Nido Share
Fiscal 2021	DA	6,200.70	688.97
Fiscal 2022	DA	7,882.79	1,003.88
Fiscal 2023	DA	8,315.32	1,110.06

(₹ in million)

Fiscal Year	Partial Credit Guarantee ("PCG")/ PTC	Investors' Share	Nido Share
Fiscal 2021	PCG/PTC	2,577.44	0.00
Fiscal 2022	PCG/PTC	7,838.07	0.00
Fiscal 2023	PCG/PTC	11,410.75	0.00

Any change in statutory and/or regulatory requirements in relation to assignments by financial institutions, including the requirements prescribed by RBI and the Government of India, could have an adverse impact on our assignment transactions. The commercial viability of assignment transactions has been significantly affected by changes and developments relating to regulation governing such transactions. Such changes include:

- Prohibition on carrying out assignment transactions at rates lower than the prescribed base rate of the bank;
- Minimum holding period or 'seasoning' and minimum retention requirements of assignment loans; and
- Assignments shall be eligible for classification under priority sector only if the interest rate charged to the ultimate borrower by the originating entity does not exceed base rate of such bank plus 8% per annum.

Any adverse changes in the policy and/or regulations in connection with the assignment of assets by HFCs and/or new circulars and/or directions issued by the RBI in this regard, affecting HFCs or the purchasers of assets, would affect the assignment market in general and our ability to assign our assets. In addition, a decline in demand for assignment would adversely affect our ability to assign our assets.

24. ***We may face difficulties and incur additional expenses in operating in Tier 2 cities and Tier 3 cities, where infrastructure may be limited, which could adversely impact our profitability.***

We primarily offer small ticket affordable housing loans in Tier 2 cities and Tier 3 cities in India along with customers from suburbs of Tier 1 cities, where infrastructure may be limited. At our branch offices in remote markets, we may face difficulties in conducting operations, such as accessing power facilities, transporting people and equipment, and implementing technology measures. We may also face increased costs in conducting our business and operations and implementing security measures. We cannot assure you that such costs will not increase in the future as we expand our branch network in rural and semi-urban markets, which could adversely affect our profitability.

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

The comprehensive understanding of risk management throughout the various levels of an organization aids in driving key decisions related to risk-return balance, capital allocation and product pricing. Our Company operates under the guidance of the Board approved risk appetite statement that covers business composition, guidance around gross non-performing assets and net non-performing assets, leverage, funding and liquidity, etc. Additionally, it is also ensured that appropriate focus is on managing risk proactively by ensuring business operations are in accordance with laid-down risk.

The effectiveness of our risk management is affected by the quality and timeliness of available data. We have devoted resources to develop our risk management policies and procedures and aim to continue to do so in the future. For details, see "*Our Business – Risk Management*" on page 106. Despite this, our policies and procedures to identify, monitor and manage risks of fraud, money laundering, any other credit, operational or other risks may not be fully effective. Our Board of Directors and the Risk Management Committee review our risk management policies from time to time. We also depend on our information technology systems to assist us with our risk management functions. Further, some of our methods of managing risks are based upon the use of observed historical market behavior. As a result, these methods may not accurately predict future risk exposures, which could be significantly greater than those indicated by the historical measures. To the extent that any of the instruments and strategies we use to hedge or otherwise manage our exposure to market or credit risks are not effective, we may face risk exposure in certain market environments or particular types of risk as a result of not being able to effectively mitigate those market or credit risks. In addition, as we seek to expand the scope of our operations, we also face the risk of being unable to develop commensurate risk management policies and procedures.

Our investment and interest rate risk are dependent upon our ability to properly identify, and mark-to-market changes in the value of financial instruments caused by changes in market prices or rates. Our earnings are dependent upon the effectiveness of our management of changes in credit quality and risk concentrations, the accuracy of our valuation models and our critical accounting estimates and the adequacy of our allowances for loan losses. To the extent our assessments, assumptions or estimates prove inaccurate or not predictive of actual results, we could suffer higher than anticipated losses. For detail–, see "- *Any increase in the levels of non-performing assets, for any reason whatsoever, would adversely affect our business, results of operations and financial condition*" above.

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

26. ***We have contingent liabilities as at the year ended March 31, 2023 and our financial condition may be adversely affected if these contingent liabilities materialize.***

We have contingent liabilities and commitments, which could adversely affect our business and results of operations. Our contingent liabilities and commitments aggregated to ₹ 1,401.87 million as at March 31, 2023, in accordance with IndAS 37. In the event that any of these contingent liabilities materialize, our results of operations and financial condition may be adversely affected. Below are the details of Contingent liabilities and commitments as at the year ended March 31, 2023:

i. Taxation Matters: Nil

ii. Litigations pending against the company: Nil

iii. Estimated amount of contracts remaining to be executed on capital account (net of advances): ₹ 1.95 million

iv. Loans sanctioned pending disbursement: ₹ 1399.92 million

The contingent liability amounts disclosed in our audited financial statements represent estimates and assumptions of our management based on advice received. The contingent liabilities have arisen in the normal course of our business and are subject to the prudential norms as prescribed by the RBI. If, for any reason, these contingent liabilities materialize, it may adversely affect our financial condition. For further details, please see "*Financial Information*" on page 146

27. Security breaches of customers' confidential information that we store may expose us to liability and harm our reputation, which could adversely affect or business.

As part of our business, we store and have access to customers' bank information, credit information and other sensitive data. 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. Any accidental security breaches or other unauthorized access to confidential information could expose us to liability related to the loss of the information, legal proceedings against us including the potential imposition of penalties, and negative publicity. Data security breaches could lead to the loss of trade secrets or other intellectual property, or the public exposure of personal information (including sensitive financial and personal information) of our customers and employees. Security measures could be breached by third-party actions, intrusion into our software by hackers due to software flaws or due to employee error and malfeasance. In addition, we may be required under applicable regulations to notify individuals of data security breaches involving their personal data. Any security breach may cause our customers to lose confidence in the effectiveness of our data security measures, and in turn have an adverse effect on our business, operations, financial condition or cash flows.

28. Any change in control of our Promoters on our Company may correspondingly adversely affect our goodwill, operations and profitability.

As on March 31, 2024, EFSL through its nominee shareholders hold 5.00% of our paid-up capital, and Edelweiss Rural & Corporate Services Limited and Edel Finance Company Limited (subsidiaries of EFSL) hold 55.23% and 39.77% of our paid up capital respectively. We leverage on the goodwill of the Edelweiss group. We believe that this goodwill ensures a steady inflow of business. In the event Edelweiss group is unable to maintain the quality of its services or its goodwill deteriorates for any reason whatsoever, our business and results of operations may be adversely affected. We operate in a competitive environment, and we believe that our brand recognition is a significant competitive advantage to us. Any failure to retain our Company name may deprive us of the associated brand equity that we have developed which may have a material adverse effect on our business and results of operations.

Further, our Promoters have the ability to control our business including matters relating to any sale of all or substantially all of our assets, the timing and distribution of dividends and the election or termination of appointment of our officers and directors. 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 a tender offer or otherwise attempting to obtain control of our Company even if it is in our Company's best interest. In addition, for so long as our Promoters continue to exercise significant control over our Company, it may influence the material policies of our Company in a manner that could conflict with the interests of our other shareholders.

29. Any factor affecting the business and reputation of Edelweiss group may have a concurrent adverse effect on our business and results of operations. Further Any change in control of our Promoters on our Company may correspondingly adversely affect our goodwill, operations and profitability.

We are part of Edelweiss group and to some extend depend upon it for steady inflow of business. In the event Edelweiss group's goodwill is impacted the same may have impact on our business and results of operations. We operate in a competitive environment, and we believe that our brand recognition is a significant competitive advantage to us. Any failure to retain our Company name may deprive us of the associated brand equity that we have developed which may have a material adverse effect on our business and operations.

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

30. Our Company doesn't have a dividend policy

Our Company currently doesn't have a dividend policy. The declaration and payment of dividends, if any is recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and other applicable law, including the Companies Act. There can be no assurance that the Company shall pay any dividend in the future or dividend payout, if any shall reflect the dividend payout in the past.

31. Our trademark name "Nido" is not yet registered under the Trademarks Act, 1999. Further, our brand logo i.e. i.e. "Nido Home Finance" with white background and "Nido Home Finance" with orange background is under registration process with Trademark Authority.

We have filed a new trademark application for ***"Nido"*** in the name of Nido Home Finance Limited by way of application dated May 31, 2023, and have applied for registration of our trademark logo and under the Trademarks Act, 1999 by way of separate applications each dated June 23, 2023. This application has been acknowledged by the Trademarks Registry and is currently pending registration. In case we are not able to receive registration of and , our Company may not be able to successfully enforce or protect our intellectual property rights and obtain statutory protections available under the Trademarks Act, 1999, as otherwise available for registered trademarks. We cannot assure you that we will be able to obtain such registration in a timely manner. As a result, we may be unable to prevent use of these names or variations thereof by any other party or ensure that we will continue to have a right to use it. We further cannot assure you that any third party will not infringe upon our trademark, logo and/or trade name in a manner that may have a material adverse effect on our business prospects, reputation and goodwill.

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

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

33. We depend on third-party selling agents for customer referrals, predominantly of secured business loans, who do not work exclusively for us.

We depend on external DSAs who act as lead providers to our sales teams in return for referral fees, to source a portion of our secured business loan book. Our DSAs pass on leads of any loan requirements of these customers to us. Our agreements with such DSAs typically do not provide for any exclusivity, and accordingly, such DSAs can work with other lenders, including our competitors. There can be no assurance that our DSAs will continue to drive a significant number of leads to us, and not to our competitors, or at all.

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

We have entered into a number of related party transactions, within the meaning of Ind AS-24, as applicable. While we believe that all such transactions have been conducted on an arm's length basis and in ordinary course of business, in accordance with our related party transactions policy and contain commercially reasonable terms, we cannot assure you that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. It is likely that we may enter into related party transactions in the future. Such transactions may give rise to potential conflicts of interest with respect to dealings between us and such related parties.

Further, our Promoters, Directors and their related entities may compete with us and have no obligation to direct any opportunities to us. We cannot provide any assurance that these or other conflicts of interest will be resolved in an impartial manner.

Additionally, there can be no assurance that any dispute that may arise between us and related parties will be resolved in our favour. For further details of historical related party transactions, please see "*Financial Information*" on page 146.

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

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

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

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

Further, a failure of a cooperative bank, private sector bank, non-banking finance company or small finance bank or housing finance company could also affect the sentiment towards the AHFC industry in general and lead to a reduction in business for all HFCs. Any damage to our brand or our reputation may result in withdrawal of business by our existing customers, loss of new business from potential customers.

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

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere in this document. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of financial services businesses. Many financial services businesses provide such non-GAAP financial measures and other statistical and operational information when reporting their financial results. Such non-GAAP measures are not measures of operating performance or liquidity defined by generally accepted accounting principles. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry. Therefore, such non-GAAP measures may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other HFCs in India or elsewhere.

38. ***Significant changes by the Government, the RBI or the NHB in their policy initiatives facilitating the provision of housing and housing finance or any change in the tax incentives that the Government currently provides to HFCs may have an adverse effect on our business, results of operations and financial condition.***

The Government of India provides certain incentives to encourage providing credit to the housing industry and has implemented policies that are aimed at providing low-cost, long-term credit to the low and middle income segments in India. The NHB provides re-finance for certain qualifying loans at reduced rates to certain qualifying HFCs through its schemes. In addition, the RBI provides certain incentives to the housing finance industry by extending priority sector status to housing loans. Certain key measures taken by the RBI to assist in fulfilling the Government's objectives include the reduction in risk weights applicable for affordable housing loans for the purpose of calculation of CRAR and allowing HFCs to raise long-term ECBs for on-lending towards affordable housing, which the RBI defines as housing loans with a size of up to ₹ 2.50 million. However, we cannot assure you that the Government, the RBI and the NHB will continue to provide such incentives in the future.

The Government had introduced the Credit Linked Subsidy Scheme ("**CLSS**") of the Pradhan Mantri Awas Yojana ("**PMAY**") – Housing for All (Urban) which aims at expanding institutional credit flow to the housing needs of the customers from EWS & LIG segments, by providing credit-linked subsidy on home loans taken by eligible customers EWS & LIG segments for acquisition or construction of houses. Individuals belonging to the economically weaker sections ("**EWS**") and the low-income group ("**LIG**") seeking housing loans from primary lending institutions ("**PLIs**"), including banks and HFCs, are eligible to avail benefits under the scheme.

Further, pursuant to Section 36(1)(viii) of the (Indian) Income-tax Act, 1961 (the "**Income Tax Act**"), up to 20.00% of profits from housing finance activities may be carried to a special reserve and will not be subject to income tax. Our Board has also resolved that such special reserve may not be used to pay dividends. The amount of special reserve under section 36 (1)(viii) of the Income Tax Act as of March 31, 2023 was ₹ 423.93 million. In addition, home buyers receive tax incentives on home loans for principal and interest payment of home loans, which has improved affordability levels of borrowers. Principal repayment qualifies for tax deduction under section 80C of the Income Tax Act, 1961. However, we cannot assure you that the Government will continue to make such benefits available to HFCs or home buyers.

Any significant change by the Government in its various policy initiatives facilitating provision of housing and housing finance or any change in the tax incentives that it currently provides to HFCs and homebuyers may have an adverse effect on our business, results of operations and financial condition.

39. ***Statistical and industry data in this document is derived from the CARE Research Report commissioned by us for such purpose. The CARE Research Report is not exhaustive and is based on certain assumptions, parameters and conditions. The data and statistics in the CARE Research Report may be inaccurate, incomplete or unreliable.***

This document includes information that is derived from the report on titled *"Research Report on Housing Finance Industry"* prepared by CARE Analytics and Advisory Private Limited (formerly known as CARE Risk Solutions Private Limited). CARE is not in any manner related to us, our Directors or our Promoters. The CARE Research Report is subject to various limitations and is based on certain subjective assumptions. While we have taken reasonable care in the reproduction of the information from the CARE Research Report, neither our Company nor the Lead Managers nor any of our or their respective affiliates or advisors or any other person connected with the Issue has independently verified data and statistics obtained from the CARE Research Report. While we have no reason to believe the data and statistics in the CARE Research Report are incorrect, we cannot assure you that they are accurate, complete or reliable and, therefore, we make no representation or warranty, express or implied, as to the accuracy, completeness or reliability of such data or statistics. Therefore, discussions of matters relating to India, its economy and the industry in which we currently operate are subject to the caveat that the data and statistics upon which such discussions are based may be inaccurate, incomplete or unreliable. Further, there can be no assurance that such data and statistics are stated or compiled on the same basis or with the same degree of accuracy as may be the case in other reports. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this document.

40. ***We are dependent on a number of Key Managerial Personnel and our senior management, and the loss of, or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.***

Our performance depends largely on the efforts and abilities of our Key Managerial Personnel, senior management, and our operational personnel. We believe that the inputs and experience of our senior management are valuable for the development of our business, operations and the strategic directions taken by our Company. We cannot assure you that these individuals will not leave us or join a competitor or that we will be able to retain such personnel or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. The loss of, or inability to attract or retain such persons may have an adverse effect on our business, results of operations and financial condition.

41. ***Our success depends in large part upon our management team and key personnel and our ability to attract, train and retain such persons. Our inability to attract and retain talented professionals, or the resignation or loss of key management personnel, may have an adverse impact on our business and future financial performance.***

Our ability to sustain the rate of growth depends significantly upon selecting and retaining key managerial personnel, developing managerial experience to address emerging challenges and ensuring a high standard of client service. In order to be successful, we must attract, train, motivate and retain highly skilled employees, especially branch managers and product executives. If we cannot hire additional qualified personnel or retain them, our ability to expand our business will be impaired and our revenue could decline. We will need to recruit new employees, who will have to be trained and integrated with our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train and motivate our employees properly may result in an increase in employee attrition rates, require additional hiring, erode the quality of customer service, divert management resources, increase our exposure to high-risk credit and impose significant costs on us. Hiring and retaining qualified and skilled managers is critical to our future, as our business model depends on our credit-appraisal and asset valuation mechanism, which are personnel-driven. Moreover, competition for experienced employees can be intense. While we have an incentive structure our inability to attract and retain talented professionals, or the resignation or loss of key management personnel, may have an adverse impact on our business and future financial performance.

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

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

In case insolvency proceedings are initiated against our debtor, we may not have complete control over the recovery of amounts due to us. Under the IBC, upon invocation of an insolvency resolution process, a Committee of creditors is constituted by the interim resolution professional, wherein each financial creditor is given a voting share proportionate to the debts owed to it. Any decision of the Committee of creditors must be taken by a vote of not less than 75% of the voting share of all financial creditors. Any resolution plan approved by Committee of creditors is binding upon all creditors, even if they vote against it.

In case a liquidation process is opted for, the IBC provides for a fixed order of priority in which proceeds from the sale of the debtor's assets are to be distributed. Before sale proceeds are distributed to a secured creditor, they are to be distributed for the costs of the insolvency resolution and liquidation processes and debts owed to workmen and other employees. Further, under this process, dues owed to the Central and State Governments rank below the claims of secured creditors, workmen and other employee dues and unsecured financial creditors. Pursuant to an amendment to the IBC, allottees in a real estate project are considered on par with financial creditors. Moreover, other secured creditors may decide to opt out of the process, in which case they are permitted to realize their security interests in priority.

Accordingly, if the provisions of the IBC are invoked against any of our customers, it may affect our ability to recover our loans from the borrowers and enforcement of our rights will be subject to the IBC.

43. ***Some of our Directors may have interests in entities, which are in businesses similar to ours and this may result in conflicts of interest with us.***

As on the date of this Draft Prospectus, some of our Directors are also directors on the board of our related parties. Commercial transactions in the future between us and related parties may result in conflicting interests which could have an adverse effect on our operations. Such factors may have an adverse effect on the results of our operations and financial condition.

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

We maintain insurance coverage of the type and in the amounts that we believe are commensurate with, and appropriate to, our operations. Our insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage. Even if we have insurance for the incident giving rise to the loss, we may be required to pay a significant deductible on any claim for recovery of such a loss, or the amount of the loss may exceed our coverage for the loss. However, we cannot assure you that any claim under the insurance policies maintained by us will be honored fully, in part or on time. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, or at acceptable cost, or at all. In addition, there are various types of risks and losses for which we do not maintain insurance because they are either uninsurable or because insurance is not available to us on acceptable terms. A successful assertion of one or more large claims against us that exceeds our available insurance coverage or results in changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, financial condition, cash flows and results of operations.

45. ***We have had negative operating cash flows in the past.***

We have in the past, and may in the future, experience negative operating cash flows. The following table sets forth certain information relating to our cash flows on a consolidated basis for the periods/ years indicated under Ind AS:

(₹ in million, unless otherwise specified)

Particulars	For the year ended March 31,			For the six-month period ended September 30,	
	2021	2022	2023	2022	2023
Net cash flow generated from / (used) in operating activities	8,115.09	2,772.62	(533.63)	88.10	2,292.10
Net cash flow generated / (used) in operating activities excluding 'change in working capital'	509.72	705.78	266.28.	177.00	87.20

As demonstrated above, we experienced negative cash flows due to changes in working capital. As a result, our cash flows, business, future financial performance and results of operations could be materially and adversely affected.

46. **We also handle cash as part of collections and recovery and are exposed to operational risks, including employee negligence, fraud, petty theft, burglary and embezzlement, which could harm our results of operations and financial position.**

We often handle cash as part of steps taken as part of our collection and recovery process. Handling cash at branch level exposes us to the risk of fraud by employees, agents, customers or third parties, theft, burglary and misappropriation or unauthorized transactions by our employees. Our insurance policies and measures undertaken to detect and prevent these risks may not be sometimes, sufficient to prevent or deter such activities in all cases, which may adversely affect our operations and profitability. Our employees may also become targets of the theft, burglary and other crimes if they are present when these crimes are committed and may sustain physical and psychological injuries as a result. We may encounter difficulties recruiting and retaining qualified employees due to this risk and our business and operations may be adversely affected.

EXTERNAL RISK FACTORS

47. The Indian housing finance industry is highly competitive and if we are not able to compete effectively, it could adversely affect our business and results of operations.

We operate in a highly competitive industry in India and we compete with banks, other HFCs, small finance banks and NBFCs in each of the geographies in which we operate. Our competitors may have more resources, a wider branch and distribution network, access to cheaper funding, superior technology and may have a better understanding of and relationships with customers in these markets. This may make it easier for competitors to expand and to achieve economies of scale to a greater extent. In addition, our competitors may be able to rely on the reach of the retail presence of their affiliated group companies or banks. Competition in this market segment has also increased as a result of interest rate deregulation and other liberalization measures affecting the housing finance industry in India and we expect competition to intensify in the future.

Our ability to compete effectively will depend, in part, on our ability to maintain or increase our margins. Our margins are affected in part by our ability to continue to secure low-cost capital, and to charge optimum interest rates when lending to our customers. Consequently, our ability to maintain or increase our margins will be dependent on our ability to pass on increases in the interest rates on our interest-bearing liabilities to our customers. Moreover, any increases in the interest rates on the loans we extend may also result in a decrease in business. We cannot assure you that we will be able to react effectively to these or other market developments or compete effectively with new and existing players in the increasingly competitive housing finance industry. If we are unable to compete effectively, our business and results of operations may be adversely affected.

Further, our well-performing loans are liable to be taken over by competitors at low rate as there is no penalty on the pre-closure of floating rate loans. Floating rate loans account for a majority of our loans. If many customers choose to transfer their loans to other institution, it may make it difficult for us to grow our portfolio.

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

The Government of India has been pursuing various social welfare schemes and initiatives to create an enabling and supportive environment to both enhance the flow of credit to the housing sector and increase home ownership in India. Various Central Government policies and initiatives such as "Smart Cities" and the "Pradhan Mantri Awas Yojana" or the "Housing for all by 2022" scheme have reinforced the primacy of the housing sector and the need to provide housing to all and are expected to promote affordable housing through partnerships with private sector entities.

In addition, there can be no assurance that the housing finance industry in India is free from systemic risks. Consequently, there can be no assurance that the growth and development of India's housing finance industry will be sustainable. Rising interest rates and property prices, and the resultant moderation in home affordability, can lead to slowdown in growth of sales. Rising inflation will impact cash-flows for our borrowers, which may have an impact on our asset quality marginally.

Any slowdown or reversal of the growth of India's housing finance industry may affect our business, results of operations, cash flows and financial condition.

49. Changing laws, rules and regulations and legal uncertainties, including adverse application of RBI or NHB regulations or tax laws and regulations, may materially adversely affect our business, financial condition, results of operations, cash flows and prospects.

Our business and financial performance could be materially adversely affected by changes in the laws, rules, regulations or directions applicable to us and housing finance business, or the interpretations of such existing laws, rules and regulations, or the promulgation of new laws, rules and regulations.

The governmental and regulatory bodies may notify new regulations and/ or policies, which may require us to obtain approvals and licenses from the government and other regulatory bodies, impose onerous requirements and conditions on our operations, in addition to those which we are undertaking currently, or change the manner in which we conduct KYC or authenticate our customers. Any such changes and the related uncertainties with respect to the implementation of new regulations may have a material adverse effect on our business, financial condition and results of operations.

In addition, unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment laws governing our business, operations and investments in our Company by non-residents, could result in us being deemed to be in contravention of such laws and/ or may require us to apply for additional approvals.

Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, turnover tax, goods and service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. The final determination of our tax liabilities involves the interpretation of local tax laws and related regulations in each jurisdiction as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. For instance:

- The General Anti Avoidance Rules ("**GAAR**") came into effect from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement may result in a denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to us, it may have an adverse tax impact on us;

- The Government of India has implemented a comprehensive national goods and services tax ("**GST**") regime with effect from July 1, 2017 that combines taxes and levies by the Central and State Governments into a unified rate structure. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If the tax costs associated with certain transactions because of a particular tax risk materializing are greater than anticipated, it could affect the profitability of such transactions;

- The Finance (No. 2) Act, 2019 ("**Finance Act**"), passed by the Parliament and which has received the assent of the President of India, has introduced various amendments to legislations. Amongst others, the Finance Act includes amendments to the NHB Act ("**NHB Act Amendments**") which transferred the regulation authority over the housing finance sector from NHB to RBI. The NHB Act Amendments came into force on August 9, 2019. Pursuant to the NHB Act Amendments, amongst others, (i) the RBI has the power to determine policy and issue instructions in relation to housing finance institutions; and (ii) the RBI has the power to regulate by specifying conditions or prohibit the issue by any housing finance institution which is a company of any prospectus or advertisement soliciting deposits of money from the public. However, the NHB Act Amendments retain certain powers with the NHB, in addition to conferring such powers on the RBI, such as power to conduct inspections and request for documents from the HFCs. This may result in a change in policy and interpretations with respect to regulations governing HFCs; and

- Further, pursuant to the amendments to the 'Master Direction – Exemptions from the RBI Act, 1934 dated November 24, 2020, existing exemptions available to HFCs under the RBI Act have been withdrawn.

As per RBI Master Directions – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, as amended, para 4.1.16 (k) and 4.1.17, RBI has set certain specified milestones to be achieved by HFCs in future. There can be no assurance that our company will be able to achieve those milestones by the specified dates. Failure to do so can invite regulatory action including cancellation of HFC license. RBI's definition of "Housing Finance" includes lending to builders for construction of residential dwelling units. Hence, if we are able to scale up this product in future, it may also help us in meeting specified criteria as per the above referred RBI circular on future timelines. However, no assurance can be given at this stage that we will indeed be able to scale up lending under this product.

Further, our employees are entitled to statutory employment benefits such as a defined benefit gratuity plan, among others.

We are subject to various labour laws and regulations governing our relationships with our employees and contractors, including in relation to minimum wages, working hours, overtime, working conditions, hiring and terminating the contracts of employees and contractors, contract labour and work permits.

A change of law that requires us to increase the benefits to the employees from the benefits now being provided may create potentially liability for us. Such benefits could also include provisions which reduce the number of hours an employee may work for or increase in number of mandatory casual leaves, which all can affect the productivity of the employees.

A change of law that requires us to treat and extend benefits to our outsourced personnel, and personnel retained on a contractual basis, similar to our full-time employees may create potential liability for us. If we fail to comply with current and future health and safety and labour laws and regulations at all times, including obtaining relevant statutory and regulatory approvals, this could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

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

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

Risks Relating to India

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

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

52. Financial difficulty and other problems in certain financial and other non-banking financial institutions in India could materially adversely affect our business.

We are exposed to the risks of the Indian financial system. The financial difficulties faced by certain Indian financial and non-banking financial institutions could materially and adversely affect our business because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. Such "systemic risk" may materially adversely affect financial intermediaries, such as clearing agencies, banks, NBFCs, securities firms and exchanges with which we interact on a daily basis. Any such difficulties or instability of the Indian financial system in general could create an adverse market perception about Indian financial institutions and banks and materially adversely affect our business. Our transactions with these financial institutions and other non-banking financial institutions expose us to various risks in the event of default by a counterparty, which can be exacerbated during periods of market illiquidity.

53. Any adverse change in India's credit rating by an international rating agency could materially adversely affect our business and profitability.

India's sovereign rating is Baa3 with a "negative" outlook (Moody's), BBB-with a "stable" outlook (S&P) and BBB- with a "negative" outlook (Fitch). India's sovereign rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our Company's control. Any adverse change in India's credit ratings by international rating agencies may adversely impact the Indian economy and consequently our ability to raise additional financing in a timely manner or at all, as well as the interest rates and other commercial terms at which such additional financing is available. Any such adverse development could adversely affect our business, financial condition and results of operations.

54. Financial or geo-political instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and the Indian economy are influenced by economic, geo-political and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial or geo-political instability could also have a negative impact on the Indian economy. Such worldwide financial instability could arise out of, for example, current developments relating to Ukraine which have prompted many western countries to impose financial and other sanctions on Russia. Financial disruptions may occur again and could harm our business and our future financial performance.

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

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

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

While the Government of India through the RBI has previously initiated economic measures to combat high inflation rates, it is unclear whether these measures will remain in effect, and there can be no assurance that Indian inflation levels will not rise in the future.

56. We are subject to regulatory, economic and social and political uncertainties and other factors beyond our control.

We are incorporated in India and we conduct our corporate affairs and our business in India. Consequently, our business, operations, financial performance will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy, and hence our results of operations may include:

- Any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- The impact of international trade wars or uncertain or unfavorable policies on international trade or (whether or not directly involving the Government of India);
- Any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- Prevailing income conditions among Indian customers and Indian corporations;
- Epidemic or any other public health in India or in countries in the region or globally, including in India's various neighboring countries; This includes as yet uncertain impact the new Omicron variant of the COVID-19 virus may have worldwide.
- Macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- Volatility in, and actual or perceived trends in trading activity on, India's principal stock exchange;
- Decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- Political instability, including terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
- Civil unrest, acts of violence, regional conflicts or situations or war may adversely affect the financial markets, as already witnessed in the current conflict in Ukraine;
- International business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;
- Logistical and communication challenges;
- Downgrading of India's sovereign debt rating by rating agencies;

- Changes in government policies, including taxation policies, social and civil unrest and other political, social and economic developments in or affecting India;
- Occurrence of natural calamities and force majeure events;
- Difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis; and
- Being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could materially adversely affect our business, financial condition, results of operations, cash flows and prospects.

Risks relating to the Issue and NCDs.

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

The NCDs proposed to be issued pursuant to this Issue have been rated "CRISIL A+/Stable" (pronounced as CRISIL A plus rating with Stable outlook) by CRISIL Ratings Limited for an amount of up to ₹ 5,000 million by way of its letter dated December 19, 2023 which was revalidated vide revalidation letter dated April 12, 2024, which was further revalidated vide revalidation letter dated April 23, 2024.

Any downgrade of our credit ratings would increase borrowing costs and constraint our access to capital and debt markets and, as a result, would negatively affect our net interest margin and our business. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any additional financing or refinancing arrangements in the future. There is a possibility of increase in forced sale of our NCDs by the investors resulting in sharp decline in their market price. Any such adverse development could adversely affect our business, financial condition, cash flows and results of operations.

58. The NCD Holders may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the NCDs. Failure or delay in recovering the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose the holders to a potential loss.

Our ability to pay interest accrued on the NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors, *inter alia*, including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the NCDs and/or the interest accrued thereon in a timely manner or at all. Although our Company will create appropriate security in favor of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 100% asset cover for the NCDs, and it will be the duty of the Debenture Trustee to monitor that the security is maintained, however, the realizable value of the assets charged as security, when liquidated, may be lower than the outstanding principal and/or interest accrued thereon in connection with the NCDs and shall depend on the market scenario prevalent at the time of the enforcement of the security. A failure or delay in recovering the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose you to a potential loss.

59. The Issuer, being an HFC is not required to maintain a debenture redemption reserve ("DRR").

Pursuant to a Ministry of Corporate Affairs notification dated August 16, 2019 amending Section 71 of the Companies Act, 2013 and Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014, a HFC is not required to maintain DRR for debentures issued through a public issue. Hence, investors shall not have the benefit of reserve funds to cover the re-payment of the principal and interest on the NCDs. However, in accordance with section 71 of the Companies Act, 2013, read with Rule 18 of Companies (Share Capital and Debentures) Rules, 2014, as amended, we shall on or before the 30th day of April of each year, deposit or invest, as the case may be, a sum which shall not be less than and which shall not any time fall below 15% of the amount of its debentures maturing during the year ending on the 31st day of March, of the next year, in any one or more of the following methods: (a) in deposits with any scheduled bank, free from charge or lien (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of Section 20 of the Indian Trusts Act, 1882. The amount deposited or invested, as the case may be, shall not be utilized for any purpose other than for the repayment of debentures maturing during the year referred to above, provided that the amount remaining deposited or invested, as the case may be, shall not at any time fall below 15% of the amount of debentures maturing during the year ending on the 31st day of March of the next year. If we do not generate adequate profits, we may not be able to deposit or invest the prescribed percentage of the amount of the NCDs maturing the subsequent year.

60. There may be no active market for the NCDs on the platform of the Stock Exchanges. As a result, the liquidity and market prices of the NCDs may fail to develop and may accordingly be adversely affected.

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

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

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

62. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the NCDs.

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

63. There is no assurance that the NCDs issued pursuant to the Issue will be listed on Stock Exchange in a timely manner, or at all.

In accordance with Indian law and practice, permissions for listing and trading of the NCDs issued pursuant to the Issue will not be granted until after the NCDs have been issued and allotted. Approval for listing and trading will require all relevant documents to be submitted and carrying out of necessary procedures with the stock exchange. There could be a failure or delay in listing the NCDs on the Stock Exchange for reasons unforeseen. If permission to deal in and for an official quotation of the NCDs is not granted by the stock exchange, our Company will forthwith repay, with interest, all monies received from the Applicants in accordance with prevailing law in this context, and pursuant to this Draft Prospectus. There is no assurance that the NCDs issued pursuant to the Issue will be listed on stock exchange in a timely manner, or at all.

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

There are other lenders and debenture trustees of our Company who have *pari passu* charge over the Security provided for the Issue. While our Company is required to maintain 100% asset cover for the outstanding amount of the NCDs and interest thereon, upon our Company's bankruptcy, winding-up or liquidation, the other lenders and debenture trustees will rank *pari passu* with the NCD holders and to that extent, may reduce the amounts recoverable by the NCD holders.

SECTION III – INTRODUCTION

GENERAL INFORMATION

Our Company was originally incorporated on May 30, 2008 as a public limited company under the provisions of the Companies Act, 1956 as Edelweiss Housing Finance Limited and received a certificate of incorporation dated May 30, 2008 and a certificate of commencement of business dated June 12, 2008. Subsequently, the name of the Issuer was changed to 'Nido Home Finance Limited' pursuant to a fresh certificate of incorporation issued by the RoC on May 4, 2023. The registered office of our Company is situated at Tower 3, 5th Floor, Wing B, Kohinoor City Mall Kohinoor City, Kirol Road, Kurla (West) Mumbai 400070, Maharashtra, India and our CIN is U65922MH2008PLC182906. For details of the business of our Company, see "*Our Business*" beginning on page 91.

Registration:

CIN: U65922MH2008PLC182906
LEI: 335800G1PHPWBRNHOP62
RBI: DOR - 00081

Permanent Account Number: AABCE9808N

Registered Office and Corporate Office:

Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited)
Tower 3, 5th Floor, Wing B
Kohinoor City Mall Kohinoor City
Kirol Road, Kurla (West)
Mumbai 400070
Maharashtra, India
Tel: +91 22 4272 2200
Website: www.nidohomefin.com
Email: CS.CBG@nidohomefin.com

For further details regarding changes to our Registered Office, see "*History and Main Objects*" on page 111.

Registrar of Companies, Maharashtra at Mumbai
100, Everest House
Marine Lines
Mumbai 400 002
Maharashtra, India

Company Secretary and Compliance Officer

Archana Nadgouda
Tower 3, 5th Floor, Wing B,
Kohinoor City Mall, Kohinoor City,
Kirol Road, Kurla (West) Mumbai 400070,
Maharashtra, India
Tel.: +91 22 4272 2200
Email: CS.CBG@nidohomefin.com

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer in case of any pre-Issue or post-Issue related issues such as non-receipt of Allotment Advice, demat credit of allotted NCDs, refunds, non-receipt of debentures certificates (in case of NCDs which have been re-materialised), transfers, etc. as the case may be.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, Permanent Account Number, number of NCDs applied for, Series of NCDs applied for, amount paid on application, Depository Participant name and client identification number, and the collection centre of the Members of the Consortium where the Application was submitted and ASBA Account number (for Bidders other than Retail Individual Investors bidding through the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or UPI ID in case of Retail Individual Investors bidding through the UPI mechanism.

Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, series applied for, number of NCDs applied for, amount blocked on Application.

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

All grievances arising out of Applications for the NCDs made through the Online Stock Exchange Mechanism or through Trading Members of the Stock Exchange may be addressed directly to the relevant Stock Exchange.

Lead Managers

Tipsons Consultancy Services Private Limited
401, Sheraton House,
Opposite Ketav Petrol Pump, Polytechnic Road,
Ambawadi, Ahmedabad – 380015 Gujarat
Tel: +91 7066828064 / 9589801774
Fax: Nil
Email: project.shikhar2@tipsons.com
Investor Grievance Email: igr@tipsons.com
Website: www.tipsons.com
Contact person: Nagesh Chauhan
Compliance Officer: Divyani Koshta
SEBI Registration Number: INM000011849
CIN: U74140GJ2010PTC062799

Nuvama Wealth Management Limited
(formerly known as Edelweiss Securities Limited)
801-804, Wing A, Building No 3
Inspire BKC, G Block, Bandra Kurla Complex
Bandra East, Mumbai – 400 051
Tel: +91 22 4009 4400
E-mail: nhfl.ncd@nuvama.com
Investor Grievance Email: customerservice.mb@nuvama.com
Website: www.nuvama.com
Contact Person: Saili Dave
Compliance Officer: Bhavana Kapadia
SEBI Registration No.: INM000013004
CIN: L67110MH1993PLC344634

Debenture Trustee

Beacon Trusteeship Limited
7 A&B, Siddhivinayak Chambers,

Opp. MIG Cricket Club, Gandhi Nagar,
Bandra East, Mumbai – 400 051
Tel: +91 22 4606 0278
Email: compliance@beacontrustee.co.in
Investor Grievance Email: investorgrievances@beacontrustee.co.in
Website: www.beacontrustee.co.in
Contact Person: Kaustubh Kulkarni
SEBI Registration No: IND000000569
CIN: U74999MH2015PLC271288

Beacon Trusteeship Limited has, pursuant to regulation 8 of SEBI NCS Regulations, by its letter dated April 29, 2024 given its consent for its appointment as Debenture Trustee to the Issue (hereinafter referred to as "**Trustees**"). A copy of letter from Beacon Trusteeship Limited conveying their consent to act as Trustees for the Debenture holders is annexed as *Annexure B* to this Draft Prospectus.

All the rights and remedies of the Debenture Holders under the Issue shall vest in and shall be exercised by the appointed Debenture Trustee for the Issue without having it referred to the Debenture Holders. All investors under the Issue are deemed to have irrevocably given their authority and consent to the Debenture Trustee so appointed by our Company for the Issue to act as their trustee and for doing such acts and signing such documents to carry out their duty in such capacity.

Any payment by our Company to the Debenture Holders/Debenture Trustee, as the case maybe, shall, from the time of making such payment, completely and irrevocably discharge our Company from any liability to the Debenture Holders to that extent. For details on the terms of the Debenture Trust Deed, please see section titled "*Issue Related Information*" on page 231. For details on the terms of the Debenture Trust Deed see section titled, "*Issue Related Information*" beginning on page 231.

Registrar to the Issue

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

Selenium Tower-B, Plot no. 31 and 32,
Gachibowli Financial District, Nanakramguda,
Serilingampally Hyderabad – 500 032,
Telangana, India
Tel: +91 40 6716 2222 /18003094001
Fax: +91 40 6716 1563
Toll Free Number: 1800 309 4001
Email: nhfl.ncdipo@kfintech.com
Investor Grievance Email: einward.ris@ kfintech.com
Website: www.kfintech.com
Contact Person: M Murali Krishna
SEBI Registration Number: INR000000221
CIN: L72400TG2017PLC117649

KFIN Technologies Limited, has by its letter dated April 29, 2024, given its consent for its appointment as Registrar to the Issue and for its name to be included in this Draft Prospectus, and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to the Issue.

Consortium members to the Issue

As specified in the Prospectus

Public Issue Account Bank, Sponsor Bank and Refund Bank

As specified in the Prospectus

Statutory Auditors

NGS & Co., LLP, Chartered Accountants
B-46, 3rd Floor, Pravasi Estate,
V.N. Road, Goregaon (East),
Mumbai – 400 063
Maharashtra, India
Tel: +91 22 4908 4401
Email: info@ngsco.in
Firm Registration Number: 119850W
Peer Review No.: 012889
Contact Person: R.P. Soni

NGS & Co. LLP. Has been the statutory auditors of our Company since November 3, 2021.

Credit Rating Agency

CRISIL
Ratings
CRISIL Ratings Limited (a subsidiary of CRISIL Limited)
CRISIL House, Central Avenue,
Hiranandani Business Park,
Powai, Mumbai – 400 076
Tel: + 91 22 3342 3000 (B)
Fax: +91 22 4040 5800
Email: crisilratingdesk@crisil.com
Website: www.crisilratings.com
Contact Person: Ajit Velonie
SEBI Registration No: IN/CRA/001/1999
CIN: U67100MH2019PLC326247

Credit Rating and Rationale

"CRISIL A+/Stable" (pronounced as "CRISIL A plus rating" with Stable outlook) for an amount of ₹ 5,000 million by CRISIL Ratings Limited vide their rating letter dated December 19, 2023 which was revalidated vide revalidation letter dated April 12, 2024, which was further revalidated vide revalidation letter dated April 23, 2024 with rating rationale dated December 18, 2023. Securities with these ratings are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such securities carry low credit risk. The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating given by CRISIL is valid as on the date of this Draft Prospectus and shall remain valid until the rating is revised or withdrawn. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating agency has a right to suspend or withdraw the rating at any time on the basis of factors such as new information. Please refer to *Annexure A* of this Draft Prospectus for the rating letter, and rating rationale of the above ratings. There are no unaccepted ratings and any other ratings other than as specified in this Draft Prospectus.

Disclaimer Statement of CRISIL

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

Disclaimer Statement of CARE

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Legal Counsel to the Issue

KHAITAN
&CO ADVOCATES SINCE 1911

Khaitan & Co
One World Centre
13th& 10th Floor, Tower 1C,
Senapati Bapat Marg,
Mumbai 400 013
Maharashtra, India
Tel: +91 22 6636 5000

Impersonation

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

"Any person who —

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

shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹ 1.00 million or 1.00% of the turnover of our Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 1.00 million or 1.00% of the turnover of our Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ ₹5.00 million or with both.

Underwriting

The Issue is not underwritten**.**

Arrangers to the Issue

There are no arrangers to the Issue.

Guarantor to the Issue

There are no guarantors to the Issue.

Minimum subscription

In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size i.e., ₹ 375 million. If our Company does not receive the minimum subscription of 75% of Base Issue Size, prior to the Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 8 Working Days from the Issue Closing Date or such time as may be specified by SEBI, failing which our Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 and Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including its circular bearing no. HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018.

Designated Intermediaries

Self-Certified Syndicate Bank

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, refer to the above-mentioned link.

In relation to Bids submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of the ASBA Forms from the Members of the Syndicate is available on the website of SEBI http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes.

Syndicate SCSB Branches

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

Broker Centres/ Designated CDP Locations/ Designated RTA Locations

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Applicants can submit the Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the website of the Stock Exchange at www.bseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

CRTAs / CDPs

The list of the CRTAs and CDPs, eligible to accept Applications in the Issue, including details such as postal address, telephone number and email address, are provided on the website of BSE for CRTAs and CDPs, as updated from time to time.

Utilisation of Issue proceeds

For details on utilisation of Issue proceeds see, "*Terms of the Issue*" beginning on page 240.

Issue Programme*

ISSUE OPENS ON	*As specified in the Prospectus*
ISSUE CLOSES ON	*As specified in the Prospectus*
PAY IN DATE	*As specified in the Prospectus*
DEEMED DATE OF ALLOTMENT	*As specified in the Prospectus*

**The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or the Operations Committee, subject to relevant approvals (subject to a minimum period of three working days and a maximum period of 10 working days from the date of opening of this Issue). In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in an English daily national newspaper with wide circulation and a regional daily with wide circulation where the registered office of the Company is located (in all the newspapers in which pre-issue advertisement for opening of this Issue has been given on or before such earlier or initial date of Issue closure).On the Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchange. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 p.m. (Indian Standard Time) on one Working Day post the Issue Closing Date.*

*Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) ("**Bidding Period**") or such extended time as may be permitted by the Stock Exchange, during the Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday) (a) by the Designated Intermediaries at the Bidding Centres, or (b) by the SCSBs directly at the Designated Branches of the SCSBs. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange. It is clarified that the Applications not uploaded on the Stock Exchange(s) Platform would be rejected. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 PM on one Working Day after the Issue Closing Date.*

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Neither our Company, nor the Lead Managers, nor any Member of the Syndicate, Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment under the Issue will be on date priority basis except on the day of oversubscription, if any, where the Allotment will be proportionate.

Inter-se Allocation of Responsibilities among the Lead Managers:

The following table sets forth the responsibility and coordination for various activities among the Lead Managers:

No	Activities	Responsibility	Coordinator
1.	• Due diligence of Company's operations/ management/ business plans/ legal etc.	Tipsons, Nuvama	Tipsons

No	Activities	Responsibility	Coordinator
	• Drafting and designing of the offering document. (The Managers shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchange, RoC and SEBI including finalization of Offering Document and RoC filing). Draft Prospectus, and Prospectus (together "Offer Documents") • Coordination with the Stock Exchange for in-principle approval		
2.	Structuring of various issuance options with relative components and formalities etc.	Tipsons, Nuvama	Tipsons
3.	Co-ordination with auditors for auditor deliverables and co-ordination with lawyers for legal opinion	Tipsons, Nuvama	Tipsons
4.	Appointment of other intermediaries viz., Registrar, Debenture Trustee, Consortium/Syndicate Members, printer, advertising agency and Public Issue Bank, Refund Bank and Sponsor Bank.	Tipsons, Nuvama	Tipsons
5.	• Coordination with the printer for designing and finalization of Offer Documents, Application Form including memorandum containing salient features of the Offer Documents. • Drafting and approval of statutory advertisement	Tipsons, Nuvama	Tipsons
6.	Drafting and approval of all publicity material (excluding statutory advertisement as mentioned in 5 above) including print and online advertisement, outdoor advertisement including brochures, banners, hoardings etc.	Tipsons, Nuvama	Tipsons
7.	• Preparation of road show presentation, FAQs.	Tipsons, Nuvama	Nuvama
8.	Marketing strategy which will cover, inter alia: • Deciding on the quantum of the Issue material and follow-up on distribution of publicity and Issue material including Application Forms, Offer Documents, posters, banners, etc. • Finalise collection centres; • Coordinate with Registrar for collection of Application Forms by ASBA banks; • Finalisation of list and allocation of institutional investors for one on one meetings.	Tipsons, Nuvama	Nuvama
9.	Domestic institutions/banks/mutual funds marketing strategy: • Finalize the list and division of investors for one on one meetings, institutional allocation	Tipsons, Nuvama	Nuvama
10.	Non-institutional marketing strategy which will cover, inter alia: • Finalize media, marketing and public relation strategy and publicity budget; • Finalize centers for holding conferences for brokers, etc.	Tipsons, Nuvama	Nuvama
11.	Coordination with the Stock Exchange for use of the bidding software	Tipsons, Nuvama	Tipsons
12.	• Coordination for security creation by way of execution of Debenture Trust Deed	Tipsons, Nuvama	Tipsons
13.	Post-issue activities including - • Co-ordination with Bankers to the Issue for management of Public Issue Account(s), Refund Account and any other account and • Allotment resolution	Tipsons, Nuvama	Nuvama
14.	• Drafting and finalization of post issue stationery items like, allotment and refund advice, etc.; • Coordination for generation of ISINs; • Corporate action for dematerialized credit /delivery of securities; • Coordinating approval for listing and trading of securities; and • Redressal of investor grievances in relation to post issue activities.	Tipsons, Nuvama	Nuvama

CAPITAL STRUCTURE

Details of share capital

The share capital of our Company as on March 31, 2024 is set forth below:

Share Capital	(in ₹)
AUTHORISED SHARE CAPITAL	
75,000,000 Equity Shares of ₹ 10 each	750,000,000
Total Authorised Share Capital	750,000,000
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	
69,350,000 Equity Shares of ₹ 10 each fully paid up	693,500,000

Securities premium account as on December 31, 2023, is ₹4,075.18 Million
Note: There will be no change in the capital structure and securities premium account due to the issue and allotment of the NCDs.

Details of change in authorised share capital of our company as on March 31, 2024, for last three financial years and current financial year:

There has been no change in the authorised share capital of our Company as on March 31, 2024, for the last three financial years and current financial years.

Issue of Equity Shares for consideration other than cash:

Nil

Changes in the Equity Share capital of our Company in the three preceding financial years and current financial year:

Nil

Shareholding pattern of our Company on March 31, 2024:

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of Locked in shares		No. of Shares pledged or otherwise encumbered		No. of equity shares in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class eg: Equity Shares	Class eg: y	Total								
(I)	**(II)**	**(III)**	**(IV)**	**(V)**	**(VI)**	**(VII) = (IV)+(V)+ (VI)**	**(VIII)As a % of (A+B+C2)**	**(IX)**				**(X)**	**(XI)= (VII)+(X) As a % of (A+B+C2)**	**(XII)**		**(XIII)**		**(XIV)**
(A)	Promoter & Promoter Group	9*	6,93,50,000	-	-	6,93,50,000	100%	6,93,50,000	-	6,93,50,000	100%	-		-	-	-	-	69,349,994
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
I	Non Promoter – Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares Underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares Held by Employee Trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	9	6,93,50,000	-	-	6,93,50,000	100%	6,93,50,000	-	6,93,50,000	100%	-		-	-	-	-	69,349,994

**Includes six nominees mentioned below holding one Equity Share each on behalf of Edelweiss Financial Services Limited:*

1. *Tarun Khurana*
2. *Gaurang Tailor*
3. *Swadesh Agarwal*
4. *Vaishali Lad*
5. *Rajeev Khandal*
6. *Sunil Thorat*

List of top 10 holders of Equity Shares of our Company as on March 31, 2024:

Sr. No.	Name of the Shareholder	Total number of Equity Shares	Number of Equity Shares held in dematerialized form	Total shareholding as a % of total number of Equity Shares
1.	Edelweiss Financial Services Limited*	3,469,769	3,469,769	5.00
2.	Edelweiss Rural & Corporate Services Limited	38,300,000	38,300,000	55.23
3.	Edel Finance Company Limited	27,580,225	27,580,225	39.77
4.	Swadesh Agarwal as nominee of EFSL	1	-	Negligible
5.	Vaishali Lad as nominee of EFSL	1	-	Negligible
6.	Tarun Khurana as nominee of EFSL	1	-	Negligible
7.	Rajeev Khandal as nominee of EFSL	1	-	Negligible
8.	Sunil Thorat as nominee of EFSL	1	-	Negligible
9.	Gaurang Tailor as nominee of EFSL	1	-	Negligible
	Total	6,93,50,000	6,93,49,994	100.00%

**Includes six nominee shareholders of Edelweiss Financial Services Limited holding one equity share each.*

List of top 10 holders of non-convertible securities as on March 31, 2024 (on cumulative basis):

(₹ in million)

S. No.	Name of holders	Category of holder	Amount	Holding as a % of total outstanding non-convertible securities and subordinated liability of the issuer
1.	Life Insurance Corporation of India	Insurance Company	1,500.00	14.34%
2.	Bochasanwasi Shri Akshar Purushottam Swaminarayan Sanstha	Trust	493.00	4.71%
3.	A P S R T C Employees Provident Fund Trust	Trust	350.00	3.35%
4.	Edelweiss Tokio Life Insurance Company Limited - Life Non Par Fund	Qualified Institutional Buyer	273.30	2.61%
5.	Canara Bank-Mumbai	Bank	247.90	2.37%
6.	Zuno General Insurance Limited	Qualified Institutional Buyer	182.50	1.74%
7.	Provident Fund of The Axis Bank Ltd	Trust	134.00	1.28%
8.	Indian Provident Fund of Bharat Petroleum Corporation Limited	Trust	110.60	1.06%
9.	Chhattisgarh State Electricity Board (CSEB) Provident Fund Trust	Trust	110.00	1.05%
10.	HVPNL Employees Provident Fund Trust	Trust	100.00	0.96%

Statement of capitalization (Debt to Equity Ratio) of our Company as on September 30, 2023:

(₹ in million, except Debt/Equity ratio)

Particulars	Pre-Issue as at September 30, 2023	Post Issue as at September 30, 2023
Debt		
Debt Securities & Subordinated Liabilities	9,140.67	10,140.67
Borrowings (Other than Debt Securities)	7,091.52	7,091.52
Securitisation Liability	12,431.23	12,431.23
Total Debt (A)	**28,663.42**	**29,663.42**
Equity		
Equity Share Capital	693.50	693.50
Other Equity	7,329.94	7329.94
Total Equity (B)	**8,023.44**	**8023.44**

Particulars	Pre-Issue as at September 30, 2023	Post Issue as at September 30, 2023
Debt/ Equity (C= A/B)	**3.57**	**3.70**

**The debt-equity ratio post Issue in indicative on account of the assumed inflow of ₹1,000 million from the proposed Issue. The actual debt-equity ratio post the Issue would depend on the actual position of debt and equity on the Deemed Date of Allotment.*

Notes:

1. *Outstanding liability for Debt Securities and Subordinated Liabilities are net of buyback of secured Non-Convertible Debentures amounting to ₹ 655.73 million (at face value), held in treasury by the Company.*
2. *Outstanding liability for Borrowings (Other than Debt Securities) are net of debit balance of Interest payable (net) on term loan of ₹ 16.09 million.*
3. *Above outstanding borrowings and securitisation liability are netted off on account of IND-AS adjustment for effective Interest rate on borrowings and on Securitization amounting ₹ 285.36 million*

List of top 10 holders of commercial papers in terms of value (in cumulative basis):

Not Applicable

Statement of the aggregate number of securities of our Company purchased or sold or subscribed by our Promoter Group, and by the directors of our Promoters, and by the directors of our Company and their relatives, within six months immediately preceding the date of filing of this Draft Prospectus.

Except for the details as set out in the table below, no securities of our Company have been purchased or sold by our Promoter Group, and by the directors of our Promoters, and by the directors of our Company and their relatives, within six months immediately preceding the date of filing of this Draft Prospectus.

Sr. No.	Name of the Transferee/ Transferor/ Subscriber	Date of purchase/ transfer/ Subscription	Whether purchase/ transfer/ subscription	Number of NCDs
1.	Zuno General Insurance	November 23, 2023	Purchase	62500
2.	Edelweiss Tokio Life Insurance Company Limited - Shareholders Fund - For Solvency Margin	November 23, 2023	Security Purchase	50,000
3.	Edelweiss Tokio Life Insurance Company Limited - Life Non Par Fund	November 23, 2023	Security Purchase	57,500
4.	Edelweiss Tokio Life Insurance Company Limited - Life Non Par Fund	November 23, 2023	Security Purchase	20,000
5.	Zuno General Insurance	March 01, 2024	Purchase (subscription)	70,00000

Subsidiaries, Associates and Joint Ventures

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

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

Not Applicable as our Company has no subsidiaries.

Shareholding of Directors in our Company

As on the date of this Draft Prospectus, none of our Directors hold shares in our Company.

Details of any acquisition or amalgamation in the last one year

NA

Details of any reorganization or reconstruction in the last one year

NA

Employee Stock Option Scheme

NA

OBJECTS OF THE ISSUE

Issue Proceeds

Our Company has filed this Draft Prospectus for a public issue of secured, redeemable, NCDs for an amount aggregating up to ₹1,000 million.

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

Particulars	Estimated amount (₹ in million)
Gross proceeds of the Issue	[•]
Less: Issue related expenses*	[•]
Net proceeds	[•]

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

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

Sr. No.	Objects of the Issue	Percentage of amount proposed to be financed from Net Proceeds
a.	For the purpose of onward lending, financing, and for repayment/ prepayment of interest and principal of existing borrowings of our Company#	At least 75%
b.	General Corporate Purposes*	Maximum of up to 25%

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

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

Purpose for which there is a requirement of funds

As stated in this section.

Funding Plan

NA

Summary of the project appraisal report

NA

Schedule of implementation of the project

NA

Monitoring of utilization of funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. The Audit Committee of our Company shall monitor the utilisation of the proceeds of the Issue. Our Company will disclose in our Company's financial statements for the relevant financial year commencing from Fiscal 2025, the utilized of the proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue. Our Company shall utilize the proceeds of the Issue only upon the execution of the documents for creation of security and receipt of final listing and trading approval from the Stock Exchange.

Interim use of proceeds

Our Management will have the flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds out of the Issue for the purposes described above. Our Company intends to temporarily invest funds in high-quality interest-bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities. Such investment would be in accordance with the investment policies approved by the Board or any Committee thereof from time to time.

Other Confirmations

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

Proceeds from the Issue shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property. No part of the proceeds from the Issue will be paid by us as consideration to our Promoter, the Directors, Key Managerial Personnel, or companies promoted by our Promoter except in ordinary course of business.

No part of the proceeds from the Issue will be utilized for buying, trading or otherwise dealing in equity shares of any listed company. Further our Company undertakes that Issue proceeds from NCDs allotted to banks shall not be used for any purpose, which may be in contravention of the RBI guidelines including those relating to classification as capital market exposure or any other sectors that are prohibited under the RBI Regulations.

All monies received out of the Issue shall be credited/ transferred to a separate bank account maintained with a Scheduled Bank as referred to in section 40(3) of the Companies Act 2013.

Details of all monies utilized out of the Issue referred above shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies have been utilized along with details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue.

Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilized monies have been invested.

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

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

There is no contribution being made or intended to be made by the Directors as part of the Issue or separately in furtherance of the Objects of the Issue.

General Corporate Purposes

Our Company intends to deploy up to 25% of the amount raised and allotted in the Issue for general corporate purposes.

Issue related expenses break-up

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

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

Particulars	Amount (₹ in million)	As percentage of Issue proceeds (in %)	As percentage of total expenses of the Issue (in %)
Lead managers fees	[•]	[•]	[•]
Underwriting commission	[•]	[•]	[•]
Brokerage, selling commission and upload fees	[•]	[•]	[•]
Fee Payable to the registrars to the issue	[•]	[•]	[•]
Fees payable to the legal advisors	[•]	[•]	[•]
Advertising and marketing expenses	[•]	[•]	[•]
Fees payable to the regulators including stock exchange and depository.	[•]	[•]	[•]
Expenses incurred on printing and distribution of issue stationary	[•]	[•]	[•]
Any other fees, commission or payments under whatever nomenclature.**	[•]	[•]	[•]
Grand Total	[•]	[•]	[•]

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

Our Company shall pay processing fees to the SCSBs for ASBA forms procured by Lead Manager/ Consortium Members / Sub brokers/Trading Members and submitted to the SCSBs for blocking the Application Amount of the applicant, at the rate of ₹ [•] per Application Form procured (plus service tax and other applicable taxes). However, it is clarified that in case of ASBA Application Forms procured directly by the SCSBs, the relevant SCSBs shall not be entitled to any ASBA Processing Fee.

Further, our Company shall pay the Sponsor Bank ₹ [•] for every valid Application that is blocked. The payment will be made on the basis of valid invoices within such timelines mutually agreed to/prescribed by the Company with the Designated Intermediaries/Sponsor Bank.

Variation in terms of contract or objects in this Draft Prospectus

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

Benefit / interest accruing to Promoters/Directors out of the object of the Issue

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

STATEMENT OF POSSIBLE TAX BENEFITS

The Board of Directors
Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited)
Tower 3, 5th Floor, Wing 'B', Kohinoor City Mall, Kohinoor City,
Kirol Road, Kurla (west),
Mumbai – 400070

Sub: Public Offering of Secured Redeemable Non-Convertible Debenture ("NCDs") ₹ 500 million ("Base Issue"), with an option to retain over-subscription up to ₹ 500 million, aggregating up to ₹ 1,000 million ("Issue") of Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited) ("Company" or "Issuer")

This certificate is issued in accordance with the terms of our engagement letter dated April 24, 2024.

The accompanying note prepared by the Company, discusses the special tax provisions applicable to the Potential Debenture holders ("**Investors**") subscribing in the NCDs of **Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited)** (the "**Company**") in Annexure A (hereinafter referred to as "**Statement of Possible Tax Benefits/Statement**"), under the Income-tax Act, 1961 (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2020 (hereinafter referred to as the "**IT Act**") in connection with the offering.

Management's Responsibility

The preparation of this Statement as of the date of our certificate which is to be included in the Draft Prospectus (the "**Offering Document**") is the responsibility of the management of the Company.

This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Our Responsibility

Our responsibility is to examine whether the Statement prepared by the Company, in all material respects, is in accordance with applicable provision of the IT Act. For this purpose, we have read the statement of possible tax benefits as given in Annexure I, and evaluated with reference to the provisions of the IT Act to confirm that statements made are correct in all material respect.

We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information. The benefits discussed in the enclosed Annexure I are not exhaustive. Several of these benefits are dependent on the Investors fulfilling the conditions prescribed under the relevant tax laws. Therefore, the ability of Investors to derive the tax benefits is dependent on fulfilling such conditions.

The statement is only intended to provide general information and is neither designed nor intended to be a substitute for the professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to specific tax implications arising out of their participation. Neither are we suggesting nor advising the investor to invest money based on this statement.

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

i) Debenture holders of the Company will continue to obtain these benefits in future;

ii) the conditions prescribed for availing the benefits have been/would be met with; and

iii) the revenue authorities/ Courts will concur with the views expressed herein.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. We have relied upon the information and documents of the Company being true, correct and complete and have not audited or tested them. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein.

Our views are based on existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume any responsibility to update the views consequent to such changes.

In our opinion, the Statement of Possible Tax Benefits prepared by the Company as set out in Annexure I materially covers all tax benefits available as at the date of our report to Debenture Holders, in accordance with provisions of the IT Act as amended.

Restriction on Use

We hereby consent to inclusion of the extracts of this certificate in the Draft Prospectus and/or any other document in relation to the Issue, and is not to be used, referred to or distributed for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. Any subsequent amendment / modification to provisions of the applicable laws may have an impact on the views contained in our statement. While reasonable care has been taken in the preparation of this certificate, we accept no responsibility for any errors or omissions therein or for any loss sustained by any person who relies on it.

For **NGS & Co. LLP**
Chartered Accountants
Firm Registration No.: 119850W

R.P. Soni
Partner
Membership No.: 104796

UDIN: 24104796BKBEVU6100

Place: Mumbai
Date: May 3, 2024

Encl: Statement

Annexure I

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

This Annexure is based on the provisions of the Income-tax Act, 1961 (‘IT Act’) in force as on the current date, after considering the amendments made by the Finance Act, 2023 (‘FA, 2023’).

This Annexure intends to provide general information on the applicable provisions of the IT Act. However, in view of the nature of the implications, the investors are best advised to consult their respective tax advisors/consultants for appropriate counsel with respect to the specific tax and other implications arising out of their participation in the Portfolio as indicated herein.

Taxability under the IT Act

Section 50AA of the IT Act

The Finance Act, 2023 has inserted section 50AA to the IT Act to provide for a special provision for computation of capital gains in case of Market Linked Debenture (MLD). For the purposes of the said section, MLD have been defined in the Explanation thereto to mean a security by whatever name called, which has an underlying principal component in the form of a debt security and where the returns are linked to the market returns on other underlying securities or indices, and includes any security classified or regulated as a MLD by the Securities and Exchange Board of India.

Based on the definition, MLD has the following essential features:

- It is a security in the nature of debt;
- It has an underlying principal component;
- Returns with respect to such security are linked to market returns on other underlying securities or indices;
- And, by way of extension, it is also provided that any security classified or regulated by SEBI as an MLD, shall for the purposes of section 50AA of the IT Act, be deemed to be an MLD

The Non-Convertible Debentures (NCDs) issued/ proposed to be issued by the issuer creates a borrower-lender relationship between the issuer and subscriber and to that extent, such NCDs constitute a security in the nature of debt. Further, such NCDs, by their very nature, have a principal component (which is the price at which the subscriber subscribes to such NCDs).

However, the returns with respect to such NCDs (excess of redemption value over the principal component) is a fixed return and is not linked to any market return or underlying security or indices.

Given the same, the NCDs issued by the issuer do not satisfy the first limb of the definition of MLD as provided in the Explanation to section 50AA of the IT Act and thus, such NCDs should not constitute an MLD for the purposes of section 50AA of the IT Act.

The second limb of the definition of MLD which deems any security classified or regulated by SEBI as an MLD, to be an MLD for the purposes of section 50AA of the IT Act, is an independent limb and need to be construed as such. We have been given to understand that, at present, the NCD issued/ proposed to be issued by the issuer is neither classified nor regulated by the SEBI as an MLD and accordingly, the NCDs issued by the issuer should not constitute an MLD for the purposes of section 50AA of the IT Act. However, the said fact-pattern would have to be re-visited in light of any amendment in the law as may be notified by SEBI in future.

A. Common provisions applicable to both Resident and Non-Resident debenture holders:

1. Determination of head of income for the purpose of assessability:

The returns received by the investors from the Non-Convertible Debentures (‘NCD’) in the form of ‘interest’ and gains on transfer of the NCD, may be characterized under the following broad heads of income for the purposes of taxation under the IT Act:

- Profits and gains of business or profession (‘PGBP’);

- Capital gains (‘CG’); and

- Income from other sources (‘IFOS’).

For determining the appropriate head of income (as mentioned above) *vis-à-vis* the income or loss earned on/ from the NCD, it will be pertinent to analyse whether the NCD are held as ‘Investments’ i.e. capital asset or as ‘Stock-in-trade’.

If the NCD are held as ‘Stock-in-trade’, interest income as well as gain or loss on its transfer will be assessed to tax under the head PGBP, whereas, if the NCD are held as ‘Investments’, then the interest income will be assessed to tax under the head IFOS and any gain/ loss on its transfer will be assessed to tax under the head CG (explained in ensuing paragraphs), based on facts of each case.

However, as per section 2(14) of the IT Act, ‘capital asset’ includes, *inter alia*, securities held by a Foreign Institutional Investor (‘FII’) [now known as Foreign Portfolio Investor (‘FPI’)] which has invested in such securities in accordance with the regulations made under Securities and Exchange Board of India Act, 1992. Accordingly, such securities, held by an FPI, will be characterised as ‘capital asset’ and classification as ‘Stock-in-trade’ shall not apply.

The investors may obtain specific advice from their tax advisors regarding the above classification and tax treatment.

2. Taxation of Interest and Gain/ loss on transfer of debentures:

\- ***<u>Taxation of Interest</u>***

Income by way of interest received on NCD held as ‘Investments’ (i.e. capital asset) will be charged to tax under the head IFOS at the rates applicable to the investor after deduction of expenses, if any, allowable under section 57 of the IT Act. These are essentially expenses (not being in the nature of capital expenditure) laid out or expended wholly and exclusively for the purpose of earning the interest income. In case of NCD held as ‘Stock-in-trade’, interest received thereon will be charged to tax under the head PGBP. Further, any expenditure specifically laid out or expended wholly and exclusively for the purpose of earning such interest income shall be allowed as deduction while computing income under the head PGBP.

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

\- ***<u>Taxation of gain or loss on transfer</u>***

(a) Taxable under the head PGBP

As discussed above, depending on the particular facts of each case, the NCD may, in certain cases, be regarded to be in the nature of ‘Stock-in-trade’ and, accordingly, the gains from the transfer of such NCD should be considered to be in the nature of business income and hence chargeable to tax under the head PGBP.

In such a scenario, the gains from the business of investing in the NCD may be chargeable to tax on a ‘net’ basis (i.e. net of allowable deductions for expenses under the head PGBP/allowances under Chapter IV – Part D of the IT Act).

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

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

(b) Taxable under the head Capital Gains

As discussed above, based on the particular facts of each case, the NCD may, in certain cases, be regarded to be held as 'Investments' in which case the gains or loss from the transfer of such NCD should be chargeable to tax under the head CG.

In such a scenario, the gains / loss from the transfer of such NCD may be chargeable to tax on a 'net' basis (i.e. net of acquisition cost of NCD, expenditure incurred in relation to transfer of NCD).

Investors should, however, seek specific advice from their tax advisors/ consultants in respect of characterization of capital gains, the manner of computation and the tax to be paid thereon.

3. Period of holding and Capital gain – long term & short term:

As per section 2(29AA) read with section 2(42A) of the IT Act, listed NCD is treated as a long-term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer and consequently, the gain/ loss on transfer of such NCD should be treated as long term capital gain/ loss.

Accordingly, if listed NCD is held for upto 12 months immediately preceding the date of its transfer, the same should be treated as a short-term capital asset and the gain/ loss on transfer of such NCD should be treated as short-term capital gain/ loss.

Without prejudice to the fact that the NCDs to be issued by the issuer are not MLD (as has been concluded at the outset), where, for whatsoever reasons, the NCDs are treated as MLDs, then in such cases, as per the amendment by the FA, 2023, the capital gains arising on transfer or redemption or maturity of such NCDs shall be deemed to be capital gains arising from transfer of a short-term capital asset. Further, in computing the capital gains, no deduction shall be allowed on account of Securities Transaction Tax (STT) paid, if any.

4. Computation of capital gains and tax thereon

Capital gains is computed after reducing from the consideration received for the transfer of the capital asset ['full value of consideration (FVC)], the cost of acquisition (CoA) of such asset and the expenses incurred wholly and exclusively in connection with the transfer. The capital gains so computed will be chargeable to tax at the rates as detailed in the ensuing paragraphs.

5. Set off of capital losses

As per section 74 of the IT Act, long-term capital loss incurred during a year can be set-off only against long-term capital gains arising in that year or in subsequent years and cannot be set-off against short-term capital gains arising in that year or in subsequent years. The long-term capital loss remaining after set-off, if any, can be carried forward for eight years immediately succeeding the year in which the loss was first computed, to be for set-off against subsequent years' long-term capital gains.

On the other hand, short-term capital loss incurred during a year can be set-off against both, short-term and long-term capital gains of the same year or of subsequent years. The short-term capital loss remaining after set-off, if any, can be carried forward for eight years immediately succeeding the year in which the loss was first computed, to be set-off against subsequent years' short-term as well as long-term capital gains.

B. Tax benefits available to Resident NCD holders:

- Interest on NCD received by resident NCD holders would form part of their total income and be subject to tax at the applicable rates of tax (Note 1 and 2 below) in accordance with and subject to the provisions of the IT Act.

- Capital gains on transfer of NCD shall be computed by deducting from the FVC, expenditure incurred wholly and exclusively in connection with the transfer and the CoA of the NCD.

As per section 112 of the IT Act, capital gains arising on the transfer of long-term capital assets being listed debentures are subject to tax at the rate of 10% (plus applicable surcharge and health & education cess – Note 2 below) on the capital gains calculated without indexing the cost of acquisition (Fourth *proviso* to Section 48 restricts indexation benefit in case of long-term capital asset being a bond or debenture).

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

Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months would be taxed at the applicable rates of tax (as mentioned in Note 1 and 2 below) in accordance with the provisions of the IT Act.

C. Tax benefits available to Non-Resident debenture holders:

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

- As per section 115C(e) of the IT Act, the term "non-resident Indian" means an individual, being a citizen of India or a person of Indian origin who is not a "resident". A person shall be deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India.

- As per section 115E of the IT Act, interest income from debentures acquired or purchased with or subscribed to in convertible foreign exchange will be taxable at 20% (plus applicable surcharge and cess), whereas long term capital gains on transfer of such debentures will be taxable at 10% (plus applicable surcharge and cess – Note 2 below) of such capital gains without indexation of CoA. Short-term capital gains will be taxable at the applicable rates of tax (as mentioned in Note 1 and 2 below) in accordance with and subject to the provisions contained therein.

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

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

- Under section 115H of the IT Act, where a non-resident Indian becomes a resident in India in any subsequent year, he may furnish to the Assessing Officer a declaration in writing along with return of income under section 139 for the assessment year for which he is assessable as a resident, to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to the investment income (other than on shares in an Indian Company) derived from any foreign exchange assets in accordance with and subject to the provisions contained therein. On doing so, the provisions of Chapter XII-A of the IT Act shall continue to apply to him in relation to such income for that assessment year and for every subsequent assessment year until the transfer or conversion (otherwise than by transfer) into money of such assets.

- In accordance with and subject to the provisions of section 115-I of the IT Act, a non-resident Indian may opt not to be governed by the provisions of Chapter XII-A of the IT Act. In such a case, long-term capital gains on transfer of listed debentures would be subject to tax at the rate of 10% (plus applicable surcharge and cess – Note 2 below) computed without indexation of CoA.

- Interest income and short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months preceding the date of transfer, would be taxed at the applicable rates of tax (as mentioned in Note 1 and 2 below) in accordance with and subject to the provisions of the IT Act.

- Without prejudice to the fact that the NCDs to be issued by the issuer are not MLD (as has been concluded at the outset), where, for whatsoever reasons, the NCDs are treated as MLDs, then in such cases, as per the amendment by the FA, 2023, the capital gains arising on transfer or redemption or maturity of such NCDs shall be deemed to be capital gains arising from transfer of a short-term capital asset. Further, in computing the capital gains, no deduction shall be allowed for Securities Transaction Tax (STT) paid, if any.

- Where debentures are held as stock-in-trade, the income on transfer of debentures would be taxed as business income in accordance with and subject to the provisions of the IT Act.

- As per section 90(2) of the IT Act read with the Circular no. 728 dated October 30, 1995, issued by the Central Board of Direct Taxes ('CBDT'), in the case of a remittance to a country with which a Double Tax Avoidance Agreement ('DTAA') is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in the DTAA, whichever is more beneficial to the assessee. However, submission of a valid and subsisting tax residency certificate ('TRC') and other documents as notified under the IT Act is a mandatory condition for availing benefits under any DTAA. If the TRC does not contain the prescribed particulars, a self-declaration in Form 10F would need to be provided by the assessee along with the TRC which is valid and subsisting.

D. Tax benefits available to Foreign Institutional Investors ('FII's) or Foreign Portfolio Investors ('FPI's):

- In accordance with and subject to the provisions of section 115AD of the IT Act, long-term capital gains on transfer of debentures by FIIs are taxable at 10% (plus applicable surcharge and cess – Note 2 below) and short-term capital gains are taxable at 30% (plus applicable surcharge and cess - Note 2 below). The benefit of indexation of CoA will not be available.

- Income other than capital gains arising out of debentures is taxable at 20% (plus applicable surcharge and cess - Note 2 below) in accordance with and subject to the provisions of Section 115AD of the IT Act.

- However, the above is subject to any relief available under DTAA entered into by the Government of India (as mentioned in Point C above).

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

E. Withholding provisions

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

S. No	Scenarios	Provisions
1	Withholding tax rate on interest on NCD issued to Indian residents	➢ Interest paid to residents other than insurance companies will be subject to withholding tax as per section 193 of the IT Act at the rate of 10 per cent. ➢ No tax is required to be deducted on interest paid to an individual or a HUF, in respect of debentures issued by a company in which the public is substantially interested if; • the amount of interest paid to such person in a financial year does not exceed INR 5,000; and • such interest is paid by an account payee cheque ➢ Further, prior to FA 2023, no tax was required to be deducted on any interest payable on any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in

<table>
<tr><th>S. No</th><th>Scenarios</th><th>Provisions</th></tr>
<tr><td></td><td></td><td>India in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the rules made thereunder. However, the FA, 2023 has omitted the aforesaid exemption and thus, any interest paid or credited on or after 1 April 2023, with respect to any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the rules made thereunder shall be liable to tax withholding as applicable.</td></tr>
<tr><td>2</td><td>Withholding tax rate on interest on NCD issued to Foreign Portfolio Investor (FII)</td><td>▪ Interest to a non-resident, not being a company or to a foreign company by a specified company or a business trust, may alternatively be eligible for concessional tax rate of 5 per cent under section 194LC(2)(ia) of the IT Act in respect of monies borrowed by it from a source outside India by way of issue of rupee denominated bond before the 1st day of July 2023.

The FA, 2023 has extended the applicability of section 194LC of the IT Act with the following modification:

1. The provisions of section 194LC of the IT Act shall continue to apply to monies borrowed from a source outside India by way of issue of long-term bond or rupee denominate bond on or after 1 July 2023 where such bond is listed on a recognised stock exchange located in an International Financial Services Centre.

2. The <u>rate of tax</u> in case of the aforesaid borrowings shall be <u>9 per cent</u>.

3. With respect to the <u>borrowings made prior to 1 July 2023</u>, the provisions of section 194LC of the IT Act, as they applied at that time, shall continue to apply sans the modification discussed supra.

4. No extension of date for payment of interest in case of section 194LD of the IT Act has been made by the FA, 2023. Where such remains the case, interest therein shall then be subject to tax at the rate of 20% (excluding applicable surcharge and cess) subject to availability of DTAA benefits.

▪ Withholding rate will be increased by surcharge as applicable (Refer Note 2) and a health and education cess of 4 per cent on the amount of tax plus surcharge as applicable. However, where the withholding is done as per the rate of tax provided under the relevant DTAA, the said rate shall not be required to be increased by a surcharge and health and education cess.</td></tr>
<tr><td>3</td><td>Withholding tax rate on interest on NCD issued to non-residents other than FIIs</td><td>▪ Interest payable to non-resident (other than FII) would be subject to withholding tax at the rate of 30 per cent/ 40 per cent as per the provisions of section 195 of the IT Act subject to relief under the relevant DTAA depending upon the status of the non-resident.

▪ Alternatively, benefits of concessional rates of 5/ 9 per cent under section 194LC of the IT Act provided the said interest falls within the ambit of the provisions of section 194LC of the IT Act and meets the conditions mentioned therein which inter-alia includes the loan / bond being issued prior to/ on or after 1st July 2023, obtaining approval from the Central Government with respect to the rate of interest, etc.

▪ Withholding rate will be increased by surcharge as applicable (Refer Note 2) and a health and education cess of 4 per cent on the amount of tax plus surcharge, as applicable.</td></tr>
</table>

S. No	Scenarios	Provisions
4	Withholding tax rate on purchase of ‘goods’	▪ As per section 194Q of the IT Act, any sum payable by a ‘buyer’ to a resident for purchase of ‘goods’ of the value exceeding INR 50 Lakhs shall be liable to withholding at the rate of 0.1 percent. ▪ Buyer means a person whose total sales, turnover or gross receipts from the business carried on by him exceeds INR 10 crores in the financial year immediately preceeding the financial year in which the purchase is carried out. ▪ TDS shall not be applicable where; a. Tax is deductible under any of the provisions of the IT Act; or b. Tax is collectible under the provisions of section 206C of the IT Act other than a transaction to which section 206C(1H) of the IT Act applies ▪ The CBDT has issued Circular No 13 of 2021 dated 30 June 2021 laying down guidelines under section 194Q of the IT Act. It *inter alia* provides that TDS under section 194Q of the IT Act shall not apply to transaction in securities and commodities which are traded through recognised stock exchanges or cleared and settled by the recognised clearing corporation (including exchanges or corporation located in IFSC). ▪ Given that the Circular does not provide clarity in respect of shares/ securities traded off-market, it is advisable that the investors obtain specific advice from their tax advisors regarding applicability of these provisions.

F. ***Requirement to furnish PAN under the IT Act***

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

ii. As per provisions of section 206AA of the IT Act, the payer would be obliged to withhold tax at higher of the following rates in case the deductee has not furnished PAN to the payer or PAN which are inoperative (i.e. PAN which are not linked with aadhar):

(a) at the rate in force specified in the relevant provision of the IT Act; or
(b) at the rates in force; or
(c) at the rate of twenty per cent

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

Further, as per Rule 37BC of the Income-tax Rules, 1962 (‘the Rules’), the provisions of section 206AA shall not apply to non-residents where the non-residents provide the following information to the payer of such income:

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

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

Where an incorrect PAN is provided, it will be regarded as non-furnishing of PAN and TDS shall be deducted as mentioned above, apart from any other penal consequences that may ensue.

iii. Further, as per section 206AB of the IT Act, with effect from 1 July 2021, payments made to specified persons will be subject to TDS at rate which is <u>higher</u> of the following:

- twice the rate specified in the relevant provision of the IT Act; or
- twice the rate or rates in force; or
- the rate of 5%

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

For the purpose of section 206AB of the IT Act, specified person means any person-

- Who has not filed an income-tax return for the AY relevant to the previous year immediately preceding the previous year in which tax is required to be deducted, and the prescribed time limit to file the income-tax return has expired;
- The aggregate amount of TDS is INR 50,000 or more in each of these previous years

But other than a non-resident who does not have a permanent establishment in India. Further, FA, 2023 has carved-out from the definition of 'specified person' under section 206AB of the IT Act, a person who is not required to file/ furnish a return of income and who, in that behalf, is notified by the Central Government *vide* the Official Gazette.

G. General Anti Avoidance Rules ("GAAR")

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

H. Exemption under Section 54F of the IT Act

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

Section 54F of the IT Act exempts long-term capital gains on transfer of any long-term capital asset (other than a residential house), held by an individual or HUF, if the net consideration is utilized to purchase/ construct a residential house within the specified timelines.

Note 1: Tax Rates

Resident Individuals and Hindu Undivided Families:

The FA, 2023 has amended section 115BAC of the IT Act by, *inter alia*, inserting sub-section (1A) thereto to provide that the tax regime provided under section 115BAC of the IT Act shall be the default tax regime applicable in case of an individual, HUF, AOP (other than a co-operative society), body of individual or artificial juridical, beginning with the financial year 2023-24, except where the assessee specifically opts to be governed by the erstwhile regime.

In such cases, the following shall be the rate of tax applicable:

Slab	Tax rate
Total income up to INR 3,00,000	Nil
More than INR 3,00,000 but up to INR 6,00,000	5 per cent of excess over INR 3,00,000
More than INR 6,00,000 but up to INR 9,00,000	10 per cent of excess over INR 6,00,000 + INR 15,000
More than INR 9,00,000 but up to INR 12,00,000	15 per cent of excess over INR 9,00,000 + INR 45,000
More than INR 12,00,000 but up to INR 15,00,000	20 per cent of excess over INR 12,00,000 + INR 90,000
More than INR 15,00,000	30 per cent of excess over INR 15,00,000 + INR 1,50,000

In computing the income-tax under the new regime, certain deductions like standard deduction available to salaried taxpayers, etc., shall be allowed. However, most of the deductions/exemptions such as section 80C, 80D, etc. would need to be foregone.

A resident individual (whose total income does not exceed Rs 7,00,000) whose income is chargeable to tax under sub-section (1A) of section 115BAC can avail rebate under section 87A. It is deductible from income tax before calculating health and education cess. The amount of rebate available would be 100 per cent of income-tax chargeable on his total income or Rs 25,000, whichever is less. Further, where the total income exceeds Rs 7,00,000, the assessee shall be entitled for deduction of an amount equal to the amount by which the income-tax payable on the total income exceeds the amount by which the total income exceeds Rs 7,00,000.

Where the assessee as stated above, specifically opts to be governed by the erstwhile regime, the income earned by assessee should be liable to tax as per the applicable slab rates (plus applicable surcharge and health and education cess) based on the taxable income of such assessee. The slab rates applicable to such investors (other than resident individuals aged 60 years or more) are as follows:

Income	**Tax rate***
Up to INR 2,50,000#	NIL
Exceeding INR 2,50,000 up to INR 5,00,000@	5 per cent of the amount by which the total income exceeds INR 2,50,000
Exceeding INR 5,00,000 up to INR 10,00,000	20 per cent of the amount by which the total income exceeds INR 5,00,000 plus INR 12,500$
Exceeding INR 10,00,000	30 per cent of the amount by which the total income exceeds INR 10,00,000 plus INR 112,500$

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

* plus surcharge if applicable and a health and education cess ('cess') of 4 per cent on the amount of tax plus surcharge, if applicable).

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

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

Partnership Firms & LLP’s:

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

Domestic Companies:

Type of Domestic company	Base normal tax rate on income (other than income chargeable at special rates)	Base MAT rate
Domestic companies having turnover or gross receipts of upto Rs 400 Cr in FY 2020-21 (For AY 2023-24) and in FY 2021-22 (For AY 2024-25)	25 per cent	15 per cent
Domestic manufacturing company set-up and registered on or after 1 March 2016 subject to fulfilment of prescribed conditions (Section 115BA)	25 per cent	15 per cent
Any domestic company (even if an existing company or engaged in non-manufacturing business) has an option to avail beneficial rate, subject to fulfilment of prescribed conditions (Section 115BAA)	22 per cent	Not applicable
Domestic manufacturing company set-up and registered on or after 1 October 2019 and commences manufacturing upto 31 March 2024, has an option to avail beneficial rate, subject to fulfilment of prescribed conditions (Section 115BAB)	15 per cent	Not applicable
Domestic companies not falling under any of the above category	30 per cent	15 per cent

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

Non-corporate assessees (other than firm, co-operative societies and FIIs):

Particulars	Rate of Surcharge
Where total income (including dividend income and income under the provisions of section 111A, section 112A and section 112 of the IT Act) does not exceed Rs 50 lacs	Nil
Where total income (including dividend income and income under the provisions of section 111A, section 112A and section 112 of the IT Act) exceeds Rs 50 lacs but does not exceed Rs 1 crore	10 per cent on total tax
Where total income (including dividend income and income under the provisions of section 111A section 112A and section 112 of the IT Act) exceeds Rs 1 crore but does not exceed Rs 2 crore	15 per cent on total tax
Where total income (excluding dividend income and income under the provisions of section 111A, section 112A and 112 of the IT Act) does not exceed Rs 2 crore but total income (including dividend income and income under the provisions of section 111A, section 112A and 112 of the IT Act) exceeds Rs 2 crore	15 per cent on total tax *The Finance Act, 2022 from FY 2022-23 has capped the surcharge rates for long-term gains chargeable to tax under section 112 of the IT Act.*
Where total income (excluding dividend income and income under the provisions of section 111A, section 112A and section 112 of the IT Act) exceeds Rs 2 crore	- 25 per cent on tax on income excluding dividend income and income under the provisions of section 111A, section 112A and section 112 of the IT Act - 15 per cent on tax on dividend income and income under the provisions of section 111A section 112A and section 112 of the IT Act.

Particulars	Rate of Surcharge
	The Finance Act, 2022 from FY 2022-23 has capped the surcharge rates for long-term gains chargeable to tax under section 112 of the IT Act as well.

Note: *The Finance Act, 2022 from FY 2022-23 has capped the surcharge rates for long-term gains chargeable to tax under section 112 of the IT Act as well.*

As per the FA, 2023, the maximum surcharge rate in case of capital gains chargeable to tax under section 112 of the IT Act, in case of an assessee being an individual, HUF, AOP (not being a co-operative society), BOI or artificial juridical person is also capped to 15%.

FIIs (Non – corporate):

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

Note: The FA, 2023 has capped the highest surcharge rate to 25 per cent.

For assessees other than those covered above:

Particulars	Rate of surcharge applicable
Non-corporate taxpayers being firms and co-operative societies	Nil where total income does not exceed Rs 1 crore
	From FY 2022-23 7 per cent where total income exceeds Rs 1 crore but does not exceed Rs 10 crore
	From FY 2022-23 12 per cent where total income exceeds Rs 10 crore
Domestic companies (other than companies availing benefit under section 115BAA and section 115BAB of the IT Act)	Nil where total income does not exceed Rs 1 crore
	7 per cent where total income exceeds Rs

Particulars	Rate of surcharge applicable
	1 crore but does not exceed Rs 10 crore
	12 per cent where total income exceeds Rs 10 crore
Domestic companies availing benefit under section 115BAA and section 115BAB of the IT Act	10 per cent (irrespective of total income)
Foreign Companies (including corporate FIIs)	Nil where total income does not exceed Rs 1 crore
	2 per cent where total income exceeds Rs 1 crore but does not exceed Rs 10 crore
	5 per cent where total income exceeds Rs 10 crore

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

Notes:

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

- The above statement covers only certain relevant direct tax law benefits and does not cover benefit under any other law.

- The above statement of possible tax benefits is as per the current direct tax laws (read along with the amendments made by the FA, 2023) relevant for the AY 2024-25 corresponding to the FY 2023-24.

- This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the NCD of the Company.

- 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.

- No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

SECTION IV – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

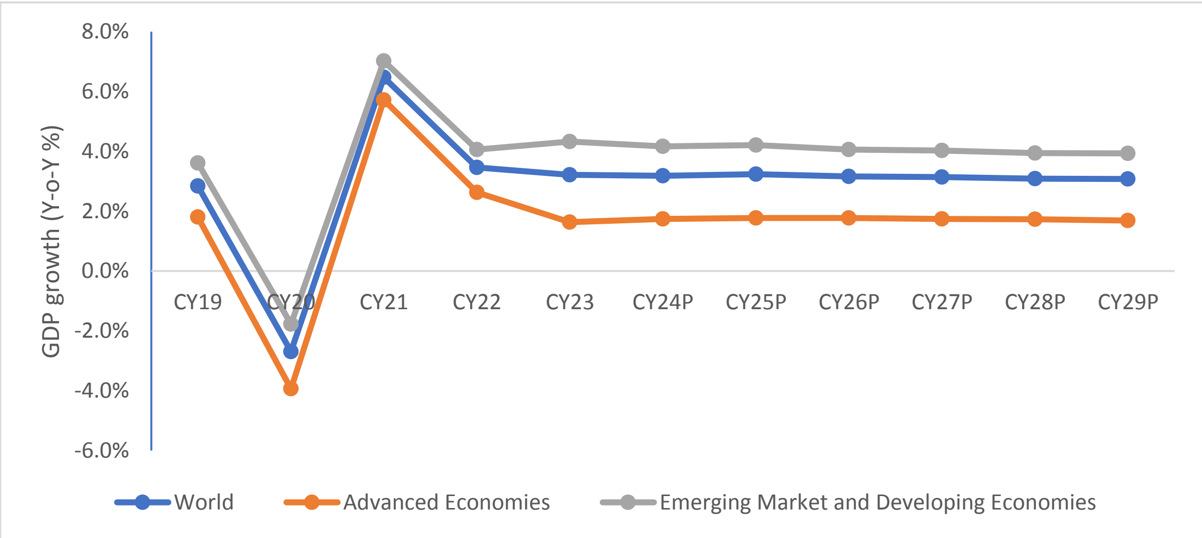
The Information under this section has been derived from the industry report titled " Research Report on Housing Finance Industry" dated April 19, 2024 prepared by Care Analytics & Advisory Private Limited in an "as is where is basis" and the information in this section has not been independently verified by the Company, the Lead Managers, our Legal Counsel or any of their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources they believe to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information. Figures used in this section are presented as in the original sources and have not been adjusted, restated or rounded off for presentation in this Draft Prospectus.

Economic Outlook

Global Economy

Global growth, which stood at 3.2% in CY23, is anticipated to maintain this rate throughout CY24 and CY25. The CY24 forecast has been adjusted upwards by 0.1 percentage point compared to the January 2024 World Economic Outlook (WEO) Update, and by 0.3 percentage point compared to the October 2023 WEO. Despite this, the expansion remains historically low, attributed to factors including sustained high borrowing costs, reduced fiscal support, lingering effects of the COVID-19 pandemic and Russia's Ukraine invasion, sluggish productivity growth, and heightened geo-economics fragmentation.

Global Growth Outlook Projections (Real GDP, Y-o-Y change in %)



Notes: P-Projection; Source: IMF – World Economic Outlook, April 2024

Table 1: GDP growth trend comparison - India v/s Other Economies (Real GDP, Y-o-Y change in %)

	Real GDP (Y-o-Y change in %)									
	CY20	CY21	CY22	CY23	CY24P	CY25P	CY26P	CY27P	CY28P	CY29P
India	-5.8	9.7	7.0	7.8	6.8	6.5	6.5	6.5	6.5	6.5
China	2.2	8.5	3.0	5.2	4.6	4.1	3.8	3.6	3.4	3.3
Indonesia	-2.1	3.7	5.3	5.0	5.0	5.1	5.1	5.1	5.1	5.1
Saudi Arabia	-3.6	5.1	7.5	-0.8	2.6	6.0	4.0	3.5	3.0	3.5

Brazil	-3.3	4.8	3.0	2.9	2.2	2.1	2.1	2.0	2.0	2.0
Euro Area	-6.1	5.9	3.4	0.4	0.8	1.5	1.4	1.3	1.3	1.2
United States	-2.2	5.8	1.9	2.5	2.7	1.9	2.0	2.1	2.1	2.1

P- Projections; Source: IMF- World Economic Outlook Database (April 2024)

Advanced Economies Group

Advanced economies are expected to experience a gradual increase in growth, climbing from 1.6 % in CY23 to 1.7% in CY24 and further to 1.8% in CY25. The projection for CY24 has been adjusted upwards by 0.2 percentage points compared to the January CY24 WEO Update, while the forecast for CY25 remains unchanged. This adjustment primarily reflects a revision in US growth, compensating for a slight downward revision in the euro area for CY25.

The United States is expected to see growth rise to 2.7% in CY24, followed by a slight slowdown to 1.9% in CY25. This deceleration is attributed to gradual fiscal tightening and labor market softening, which dampen aggregate demand. The CY24 projection has been revised upward by 0.6 percentage points since the January CY24 WEO Update. This revision primarily reflects carryover effects from stronger-than-expected growth in the fourth quarter of CY23, with some of this momentum expected to continue into CY24.

The Euro Area's growth is anticipated to rebound from its sluggish rate of 0.4% in CY23, mainly influenced by significant exposure to the conflict in Ukraine. Projections indicate an increase to 0.8% in CY24 and further to 1.5% in CY25. This recovery is driven by stronger household consumption, as the impact of elevated energy prices diminishes and declining inflation bolsters real income growth. Despite a downward revision of 0.3 percentage points for Germany in both CY24 and CY25 due to persistent weak consumer sentiment, this adjustment is largely balanced by upgrades for several smaller economies, including Belgium and Portugal.

Emerging Market and Developing Economies Group

Emerging market and developing economies are forecasted to maintain stable growth at 4.2% in both CY24 and CY25. While there's a slowdown expected in emerging and developing Asia, this is counterbalanced by increasing growth in economies across the Middle East, Central Asia, and sub-Saharan Africa. Low-income developing countries are anticipated to experience a gradual growth uptick, starting at 4.0% in CY23 and climbing to 4.7% in CY24 and 5.2% in CY25, as certain constraints on near-term growth begin to ease.

The economic forecast for emerging and developing Asia reveals a modest deceleration in growth, with projections indicating a decline from 5.6% in CY23 to 5.2% in CY24 and 4.9% in CY25. China's trajectory reflects a slowdown, transitioning from 5.2% in CY23 to 4.6% in CY24 and 4.1% in CY25 due to fading post-pandemic stimuli and ongoing property sector challenges. In contrast, India's growth remains robust, with anticipated rates of 6.8% in CY24 and 6.5% in CY25, bolstered by resilient domestic demand and a burgeoning working-age populace.

The Indonesian economy is expected to register growth of 5.0% in CY24 and 5.1% in CY25 with a strong domestic demand, a healthy export performance, policy measures, and normalization in commodity prices. In CY22, Saudi Arabia’s growth slowed at -0.8% in CY23 attributed to lower oil production. CY24 is predicted to see a revamp in the growth rates to 2.6% on account of Vision 2030 reforms that helped advance the country’s economic diversification agenda, including through reduced reliance on oil. Going forward, GDP is expected to grow at 6.0% and 4.0% in CY25 and CY26, respectively. On the other hand, Brazil's growth is projected to ease to 2.2% in CY24, driven by fiscal consolidation, the lingering impact of tight monetary policies, and reduced contributions from the agricultural sector.

Despite the turmoil in the last 2-3 years, India bears good tidings to become a USD 5 trillion economy by CY27. According to the IMF dataset on Gross Domestic Product (GDP) at current prices, the nominal GDP has been estimated to be at USD 3.6 trillion for CY23 and is projected to reach USD 5.3 trillion by CY27 and USD 6.4 trillion by CY29. India’s expected GDP growth rate for coming years is almost double compared to the world economy.

Besides, India stands out as the fastest-growing economy among the major economies. The country is expected to grow at more than 6.5% in the period of CY24-CY29, outshining China’s growth rate. By CY27, the Indian economy is estimated to emerge as the third-largest economy globally, hopping over Japan and Germany. Currently, it is the third-largest economy globally in terms of Purchasing Power Parity (PPP) with a ~7.6% share in the global economy, with China [~18.7%] on the top followed by the United States [~15.6%]. Purchasing Power Parity is an economic performance indicator denoting the relative price of an average basket of goods and services that a household needs for livelihood in each country.

Despite Covid-19's impact, high inflationary environment and interest rates globally, and the geopolitical tensions in Europe, India has been a major contributor to world economic growth. India is increasingly becoming an open economy as well through growing foreign trade. Despite the global inflation and uncertainties, Indian economy continues to show resilience. This resilience is mainly supported stable financial sector backed by well-capitalized banks and export of services in trade balance. With this, the growth of Indian economy is expected to fare better than other economies majorly on account of strong investment activity bolstered by the government's capex push and buoyant private consumption, particularly among higher income earners.

Indian Economic Outlook

GDP Growth and Outlook

Resilience to External Shocks remains Critical for Near-Term Outlook

India's real GDP grew by 7.0% in FY23 and stood at ~Rs. 161 trillion despite the pandemic in previous years and geopolitical Russia-Ukraine spillovers. In Q1FY24, the economic growth accelerated to 8.2%. The manufacturing sector maintained an encouraging pace of growth, given the favorable demand conditions and lower input prices. The growth was supplemented by a supportive base alongside robust services and construction activities. This momentum remained in the range in the Q2FY24 with GDP growth at 8.1%, mainly supported by acceleration in investments. However, private consumption growth was muted due to weak rural demand and some moderation in urban demand amid elevated inflationary pressures in Q2FY24.

India's GDP at constant prices surged to Rs. 43.72 trillion in Q3FY24 from Rs. 40.35 trillion in Q3FY23, marking an 8.4% growth rate. This upswing was fueled by robust performances in construction, mining & quarrying, and manufacturing sectors and investment drove the GDP growth, while both private and government consumption remained subdued. In 9MFY24, GDP surged by 8.2% to Rs. 126 trillion compared to 7.3% in the previous year largely due to increase in investments and growth in domestic demand (investment growth increased 10.6% y-o-y while private consumption was 3.5% higher).

Real GDP in the year FY24 is estimated to grow at 7.6% at Rs. 172.90 trillion as per second advance estimate of the Ministry of Statistics and Programme Implementation. It is expected that domestic demand, especially investment, to be the main driver of growth in India, amid sustained levels of business and consumer confidence.

GDP Growth Outlook

Driven by resilience in urban demand and the front loading of the government's capital expenditure, the H1FY24 witnessed a strong growth. Thereafter Q3 was propelled by strong performances in sectors like construction, mining & quarrying, and manufacturing.

The recent announcements of various relief measures such as LPG price reduction and extension of Pradhan Mantri Garib Kalyan Anna Yojna (PMGKAY) are expected to provide some cushion and so far, investment demand has remained robust. However, there could be some moderation in H2FY24 as both the government and private sector may restrain their capital spending ahead of the general elections. Despite some expected moderation in the H2FY24, India's overall GDP growth for FY24 is expected to remain on a firm footing. In terms of fiscal deficit for the year, the Finance Ministry has estimated it to be at 5.1% of GDP.

Strong credit growth, resilient financial markets, and the government's continual push for capital spending and infrastructure are likely to create a compatible environment for investments. In the Interim Budget 2024-25, significant emphasis is placed on infrastructure development with an increased capital expenditure outlay of Rs. 11,11,111 crores, amounting to 3.4% of the GDP.

External demand is likely to remain subdued with a slowdown in global activities, thereby indicating adverse implications for exports. Additionally, heightened inflationary pressures and resultant policy tightening may pose a risk to the growth potential.

Prior to the Interim Budget, in December 2023, the RBI in its bi-monthly monetary policy meeting estimated a real GDP growth of 7% y-o-y for FY24 comparatively lower from MoSPI's estimate of 7.6%.

RBI's GDP Growth Outlook (Y-o-Y %)

FY25P (complete year)	Q4FY24P	Q1FY25P	Q2FY25P	Q3FY25P	Q4FY25P
7.0%	6.5%	7.2%	6.8%	7.0%	6.9%

Note: P-Projected; Source: Reserve Bank of India

Gross Value Added (GVA)

Gross Value Added (GVA) is the measure of the value of goods and services produced in an economy. GVA gives a picture of the supply side whereas GDP represents consumption.

Industry and Services sector leading the recovery charge

The gap between GDP and GVA growth turned positive in FY22 (after a gap of two years) due to robust tax collections. Of the three major sector heads, the service sector has been the fastest-growing sector in the last 5 years.

The **agriculture sector** was holding growth momentum till FY18. In FY19, the acreage for the rabi crop was marginally lower than the previous year which affected the agricultural performance. Whereas FY20 witnessed growth on account of improved production. During the pandemic-impacted period of FY21, the agriculture sector was largely insulated as timely and proactive exemptions from COVID-induced lockdowns to the sector facilitated uninterrupted harvesting of rabi crops and sowing of kharif crops. However, supply chain disruptions impacted the flow of agricultural goods leading to high food inflation and adverse initial impact on some major agricultural exports. However, performance remained steady in FY22.

In FY23, the agriculture sector performed well despite weather-related disruptions, such as uneven monsoon and unseasonal rainfall, impacting yields of some major crops and clocked a growth of 4% y-o-y, garnering Rs. 22.3 trillion.

In Q1FY24, this sector expanded at a slower pace of 3.5% y-o-y growth compared to y-o-y growth a quarter ago. This further stumbled to 1.2% in Q2FY24.Further, it experienced contraction of 0.8% in Q3, leading to expectations of a modest 0.7% rise for the full year, contrasting sharply with the 4.7% growth recorded in FY23. In the Interim Budget 2024-25, the government plans to boost private and public investment in post-harvest activities and expand the application of Nano-DAP across agro-climatic zones. Strategies for self-reliance in oilseeds and dairy development are to be formulated, alongside ramping up the Pradhan Mantri Matsaya Sampada Yojana and establishing Integrated Aquaparks. Allocation for PM-Formalisation of Micro Food Processing Enterprises scheme has increased from Rs. 639 in FY24 to Rs. 880 crores in FY25.

Going forward, rising bank credit to the sector and increased exports will be the drivers for the agriculture sector. However, a deficient rainfall may have impact on the reservoir level, weighing on prospects of Kharif sowing. Considering these factors, the agriculture sector is estimated to attain Rs. 22.7 trillion and mark 1.8% y-o-y growth for complete FY24.

The **industrial sector** witnessed a CAGR of 4.7% for the period FY16 to FY19. From March 2020 onwards, the nationwide lockdown due to the pandemic significantly impacted industrial activities. In FY20 and FY21, this sector felt turbulence due to the pandemic and recorded a decline of 1.4% and 0.9%, respectively, on a y-o-y basis. With the opening up of the economy and resumption of industrial activities, it registered 11.6% y-o-y growth in FY22, albeit on a lower base.

The industrial output in FY23 grew by 4.4% with estimated value Rs. 45.2 trillion owing to a rebound in manufacturing activities and healthy growth in the construction sector.
The industrial sector grew by 5.5% in Q1FY24, while Q2FY24 growth was up by 13.2% owing to positive business optimism and strong growth in new orders supported manufacturing output. The industrial growth was mainly supported by sustained momentum in the manufacturing and construction sectors. Within manufacturing, industries such as pharma, motor vehicles, metals, petroleum and pharma witnessed higher production growth during the quarter. The construction sector (13% growth in Q2FY24) benefited from poor rainfall during August and September and higher implementation of infrastructure projects. This was reflected in robust cement and steel production and power demand in Q2FY24.

Overall, H1FY24 picked up by 9.3% with manufacturing and construction activities witnessing significant acceleration. In Q3FY24, growth rate slowed down to 10.4%.

India's industrial sector is experiencing strong growth, driven by significant expansion in manufacturing, mining, and construction. This growth is supported by positive business sentiment, declining commodity prices, beneficial government policies like production-linked incentive schemes, and efforts to boost infrastructure development. These factors collectively contribute to the sustained buoyancy in industrial growth due to which the industrial growth is estimated at 7.9% on y-o-y basis registering the value of Rs. 48.9 trillion in FY24.

The **Services sector** recorded a CAGR of 7.1% for the period FY16 to FY20, which was led by trade, hotels, transport, communication, and services related to broadcasting, finance, real estate, and professional services. This sector was the hardest hit by the pandemic and registered an 8.2% y-o-y decline in FY21. The easing of restrictions aided a fast rebound in this sector, with 8.8% y-o-y growth witnessed in FY22.

Overall, in FY23, benefitting from the pent-up demand, the service sector was valued at Rs. 20.6 trillion and registered growth of 9.5% y-o-y.

In Q1FY24, the services sector growth jumped to 10.3%. Within services, there was a broad-based improvement in growth across different sub-sectors. However, the sharpest jump was seen in financial, real estate, and professional services. Trade, hotels, and transport sub-sectors expanded at a healthy pace gaining from strength in discretionary demand. The service sector growth in Q2FY24 moderated to 5.8% partly due to the normalization of base effect and some possible dilution in discretionary demand. Considering these factors, service sector marked 8% growth in H1FY24. In Q3FY24 growth slowed to 6.7% compared to 9.7% last year in the same quarter.

With this performance, steady growth in various service sector indicators like air passenger traffic, port cargo traffic, GST collections, and retail credit are expected to support the services sector. With this, the growth of service sector is estimated at Rs. 86.2 trillion registering 7.7% growth in FY24 overall.

Sectoral Growth (Y-o-Y % Growth) - at Constant Prices

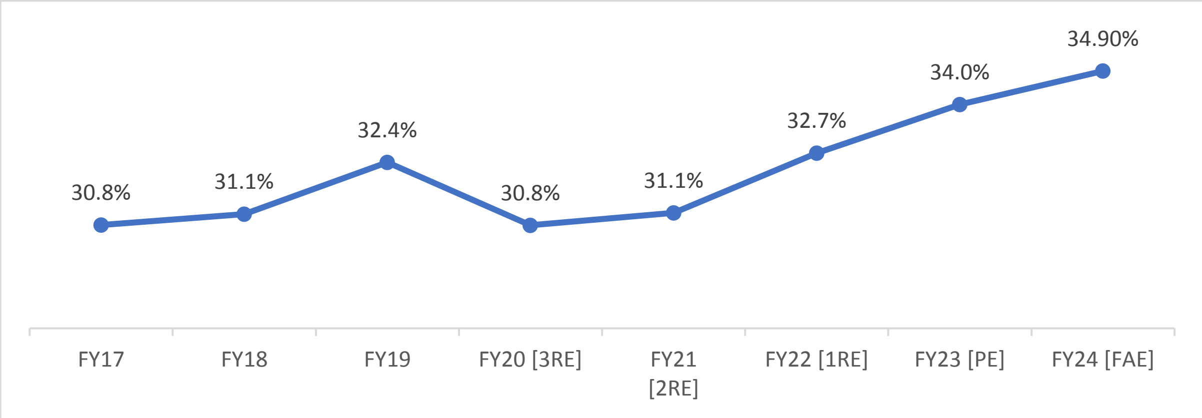
At constant Prices	FY19	FY20	FY21	FY22 (FRE)	FY23 (PE)	FY24 (FAE)
Agriculture, Forestry & Fishing	**2.1**	**6.2**	**4.1**	**3.5**	**4.0**	**1.8**
Industry	**5.3**	**-1.4**	**-0.9**	**11.6**	**4.4**	**7.9**
Mining & Quarrying	-0.9	-3.0	-8.6	7.1	4.6	8.1
Manufacturing	5.4	-3.0	2.9	11.1	1.3	6.5
Electricity, Gas, Water Supply & Other Utility Services	7.9	2.3	-4.3	9.9	9.0	8.3
Construction	6.5	1.6	-5.7	14.8	10.0	10.7
Services	**7.2**	**6.4**	**-8.2**	**8.8**	**9.5**	**7.7**
Trade, Hotels, Transport, Communication & Broadcasting	7.2	6.0	-19.7	13.8	14.0	6.3
Financial, Real Estate & Professional Services	7.0	6.8	2.1	4.7	7.2	8.9
Public Administration, Defence and Other Services	7.5	6.6	-7.6	9.7	7.2	7.7
GVA at Basic Price	**5.8**	**3.9**	**-4.2**	**8.8**	**7.0**	**6.9**

Note: FRE – First Revised Estimates, PE – Provisional Estimate, FAE – First Advance Estimate; Source: MOSPI

Investment Trend in Infrastructure

Gross Fixed Capital Formation (GFCF), which is a measure of the net increase in physical assets, witnessed an improvement in FY22. As a proportion of GDP, it is estimated to be at 32.7%, which is the second-highest level in 7 years (since FY15). In FY23, the ratio of investment (GFCF) to GDP climbed up to its highest in the last decade at 34%. Continuing in its growth trend, this ratio is expected to reach 34.9% in FY24.

Gross Fixed Capital Formation (GFCF) as % of GDP (At constant prices):



Note: 3RE – Third Revised Estimate, 2RE – Second Revised Estimates, 1RE – First Revised Estimates, PE – Provisional Estimate, FAE-First Advance Estimate; Source: MOSPI

Overall, the support of public investment in infrastructure is likely to gain traction due to initiatives such as Atmanirbhar Bharat, Make in India, and Production-linked Incentive (PLI) scheme announced across various sectors.

Industrial Growth

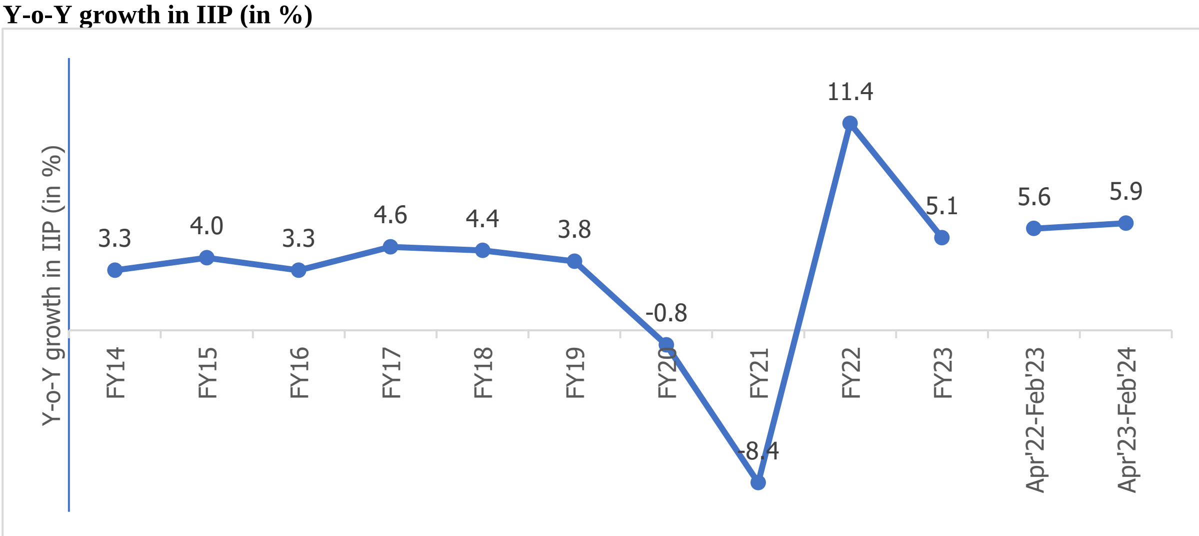
Improved Core and Capital Goods Sectors helped IIP Growth Momentum

The Index of Industrial Production (IIP) is an index to track manufacturing activity in an economy. On a cumulative basis, IIP grew by 11.4% y-o-y in FY22 post declining by 0.8% y-o-y and 8.4% y-o-y, respectively, in FY20 and FY21. This high growth was mainly backed by a low base of FY21. FY22 IIP was higher when compared with the pre-pandemic level of FY20, indicating that while economic recovery was underway.

During FY23, the industrial output recorded a growth of 5.1% y-o-y supported by a favorable base and a rebound in economic activities. The period April 2023 – February 2024, industrial output grew by 5.9% compared to the 5.6% growth in the corresponding period last year. For the month of February 2024, the IIP growth slowed down to 5.7% compared to the last year's 6%, primarily on account of a normalization of base.

So far in the current fiscal, while the infrastructure-related sectors have been doing well, slowing global growth and unrest in the Middle-East have posed a challenge for industrial activity. Though the continued moderation in inflationary pressure offers some comfort, pain points in the form of elevated prices of select food items continue to persist.

Y-o-Y growth in IIP (in %)



Consumer Price Index

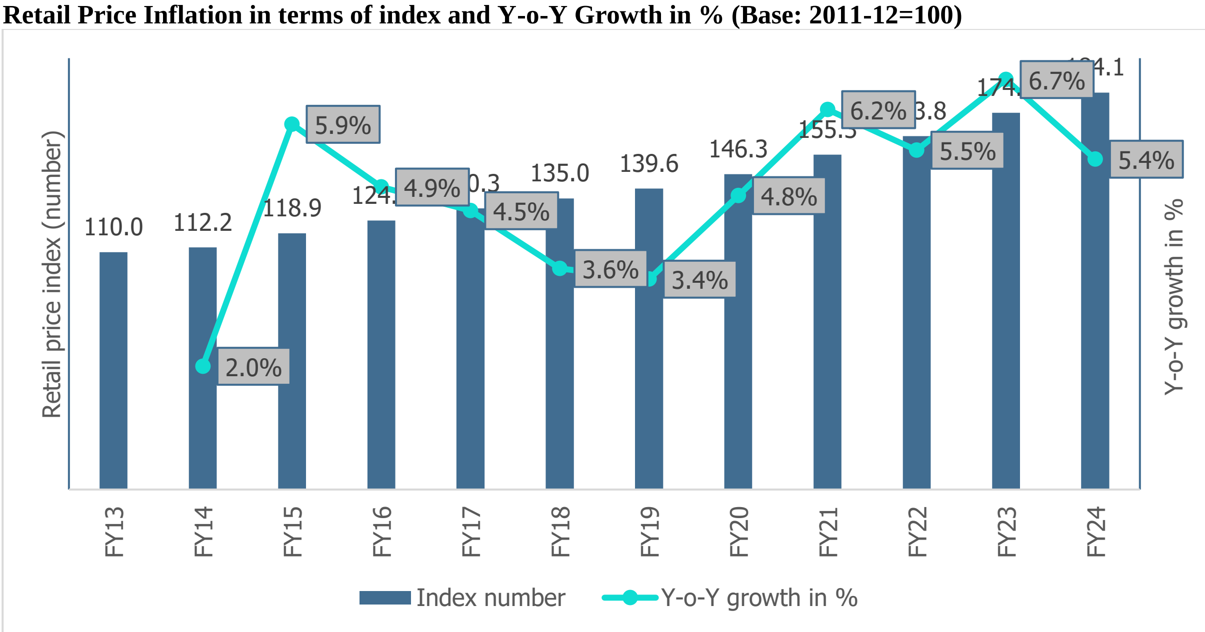
India's consumer price index (CPI), which tracks retail price inflation, stood at an average of 5.5% in FY22 which was within RBI's targeted tolerance band of 6%. However, consumer inflation started to upswing from October 2021 onwards and reached a tolerance level of 6% in January 2022. Following this, CPI reached 6.9% in March 2022.

CPI remained elevated at an average of 6.7% in FY23, above the RBI's tolerance level. However, there was some respite toward the end of the fiscal wherein the retail inflation stood at 5.7% in March 2023, tracing back to the RBI's tolerance band. Apart from a favorable base effect, the relief in retail inflation came from a moderation in food inflation.

In FY24, the CPI moderated for two consecutive months to 4.7% in April 2023 and 4.3% in May 2023. This trend snapped in June 2023 with CPI rising to 4.9%. In July 2023, the CPI had reached its highest point at 7.4%, this was largely due to increase in food prices. The notable surge in vegetable prices and in other food categories such as cereals, pulses, spices, and milk have driven this increase. In August 2023, the food inflation witnessed some moderation owing to government's active intervention. This was further moderated for second consecutive month in September 2023 to 5%, led by a sharp correction in vegetables prices and lower LPG prices. Helped by deflation in the fuel and light category, the retail inflation in October 2023 softened at 4.9%. This trend revsered in November 2023 due to spike in certain vegetable prices as well as sticky inflation in non-perishable food items such as cereals, pulses and spices and the CPI rose to 5.6%. In the month of December 2023, elevated food prices and an unfavourable base drove headline inflation to a four-month peak of 5.7%. However in the month of January and February, food prices softened and the inflation was reported at 5.1% for both the months. March witnessed furthur softning of prices registering 4.9% growth. For the full Financial year 2024 inflation moderated to 5.4% which are within the boundaries set of 2% to 6% by the RBI.

While the consistent decrease in core inflation due to falling commodity prices and diminishing demand-side pressures is encouraging, the ongoing high food inflation due to rising mercury levels could pose a significant risk worth monitoring. Despite these concerns, the favourable base effect throughout Q4FY24 and the expected easing of food price pressures and Government's support could help mitigate inflation risks.

Retail Price Inflation in terms of index and Y-o-Y Growth in % (Base: 2011-12=100)

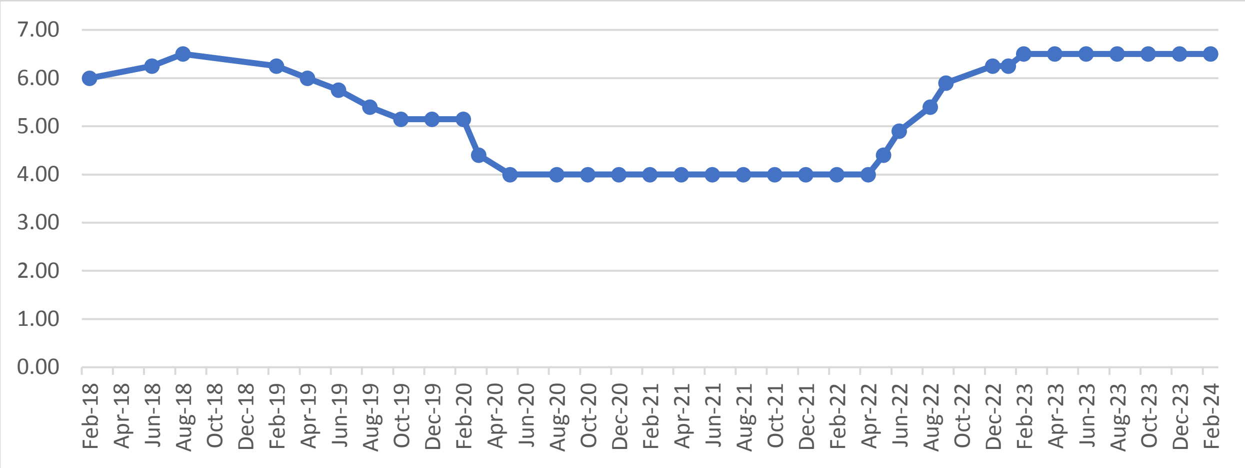


Source: MOSPI

The CPI is primarily factored in by RBI while preparing their bi-monthly monetory policy. At the bi-monthly meeting held in December 2023, RBI projected inflation at 5.4% for FY24 with inflation during Q3FY24 at 5.6%, Q4FY24 at 5.2%, while for FY25 it is pegged at 4.5% and in Q1FY25 at 5.0%, Q2FY25 at 4.0%, Q3FY25 at 4.6% and Q4FY25 at 4.7%.

The RBI has increased the repo rates with the rise in inflation in the past year from 4% in April 2022 to 6.5% in January 2023. Considering the current inflation situation, RBI has kept the repo rate unchanged at 6.5% in the last five meetings of the Monetary Policy Committee.

RBI historical Repo Rate



Source: RBI

In a meeting held in February 2024, RBI also maintained the liquidity adjustment facility (LAF) corridor by adjusting the standing deposit facility (SDF) rate of 6.25% as the floor and the marginal standing facility (MSF) at the upper end of the band at 6.75%.

Further, the central bank continued to remain focused on the withdrawal of its accommodative stance. With domestic economic activities gaining traction, RBI has shifted gears to prioritize controlling inflation. While RBI has paused on the policy rate front, it has also strongly reiterated its commitment to bringing down inflation close to its medium-term target of 4%. Given the uncertain global environment and lingering risks to inflation, the Central Bank has kept the window open for further monetary policy tightening in the future, if required.

Concluding Remarks

The major headwinds to global economic growth are escalating geopolitical tensions, volatile global commodity prices, and a shortage of key inputs. Despite the global economic growth uncertainties, the Indian economy is relatively better placed in terms of GDP growth compared to other emerging economies. According to IMF's forecast, it is expected to be 6.8% in CY24 compared to the world GDP growth projection of 3.2%. The bright spots for the economy are continued healthy domestic demand, support from the government towards capital expenditure, moderating inflation, investments in technology and improving business confidence.

Likewise, several high-frequency growth indicators including the purchasing managers index, auto sales, bank credit, and GST collections have shown improvement in FY23. Moreover, normalizing the employment situation after the opening up of the economy is expected to improve and provide support to consumption expenditure.

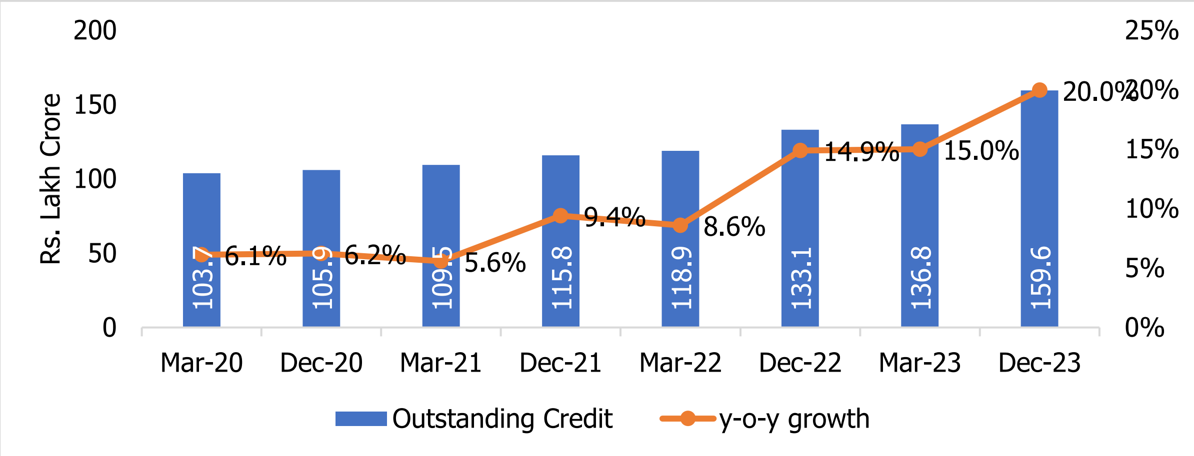
The India Meteorological Department (IMD) has made a significant forecast, predicting "above normal" rainfall for the upcoming monsoon season, marking the first time in a decade that such an optimistic outlook has been declared at the initial stage. This forecast, coupled with an anticipated eight-year-high rainfall, offers promising prospects for the agrarian economy and inflation. The weakening of El Nino to a neutral stage in the early monsoon season, followed by the likely development of La Nina conditions in the later part, adds to the positive outlook. El Nino typically leads to suppressed rainfall during the Indian monsoon, whereas La Nina tends to enhance rainfall activity. IMD's more optimistic prediction is expected to bolster agricultural growth and incomes, while also potentially alleviating stubborn food inflation pressures.

At the same time, public investment is expected to exhibit healthy growth as the government has allocated a strong capital expenditure of about Rs. 11.11 lakh crores for FY25. The private sector's intent to invest is also showing improvement as per the data announced on new project investments. However, volatile commodity prices and economic uncertainties emanating from global turbulence may slow down the improvement in private CapEx and investment cycle.

Overall Credit Market Trend

Bank Credit Growth

Growth of Bank Credit (Rs. Lakh crore)



Source: RBI, CareEdge Research

Amid the second wave of the pandemic, the bank credit growth has remained tepid owing to the risk aversion by both lenders and borrowers and regional lockdowns imposed by states to curb the spread of Covid-19. However, following the relaxation in lockdown since June 2021, bank credit growth has improved gradually during FY22 and the overall credit outstanding stood at Rs. 118.9 lakh crore as on March 2022. Ever since then, the bank credit growth has been improving on account of revamp in economic activities. The overall non-food credit growth by retail, and agriculture & allied activities segments has also led to the growth.

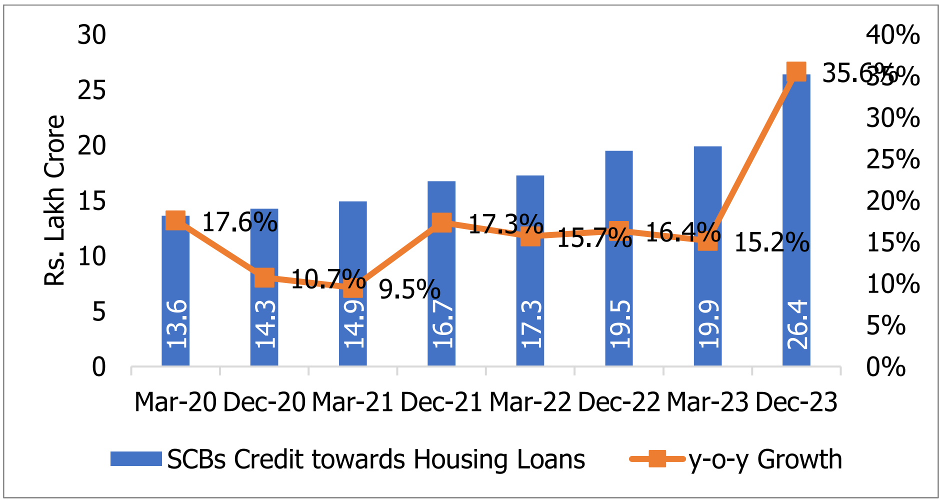
Despite the hike in interest rates in 2022, global uncertainties related to geo-political and supply chain issues, the credit offtake remained robust. As of 9MFY24, the credit growth continued to be driven by higher lending to NBFCs, robust demand of unsecured personal loans, housing loans, auto loans from the retail segments and services segments, and the impact of the merger between HDFC Bank and HDFC.

Credit growth is expected to be in sync with the GDP in FY24. Bank credit is expected to see good growth in H2FY24 driven by economic expansion, increased capital expenditure, and a sustained focus on retail credit, robust demand for credit from NBFCs. However, elevated interest rates, any further rise in the repo rate, inflation, and global uncertainties regarding geo-political issues are other key factors could weigh on credit growth.

Share of Housing loans in Banks Credit portfolio

Housing loans account for the majority of lending by banks. Over the previous two decades, the rapid increase of housing loans in bank portfolios has resulted in these loans being a large component of banks total loan portfolio.

Growth of Housing Bank Credit (Rs. Lakh crore)



Source: RBI, CareEdege Research
Note: SCBs Credit towards Housing Loans includes loans towards priority sector

Housing loans grew by 35.6% y-o-y in Dec-23 compared to 16.4% a year ago, this growth is largely attributed to the merger (reclassification of HDFCs' advances). If the merger is excluded, the y-o-y growth stood at 15.6%, higher by 0.7%, due to a high base, a rise in the repo rate by 250 bps and sales of high value residencies. Further, the rise in interest rates has a larger impact on the affordable housing as this borrowing class faces additional burden of elevated rates.

Housing Sector

Overview of Indian Housing Sector

Housing development and democratized homeownership are important economic and social policy objectives in India. Economic development and rising per capita income have created a new aspirational India. Owning a home is an essential part of Indian aspirations.

The real estate industry is one of the most crucial and recognized sectors across the globe. The industry can be further segmented into four sub-sections – housing, commercial, retail, and hospitality. Of these, the residential segment contributes to around 80 percent of the overall sector. The growth of the overall real estate industry also depends on the growth in the corporate environment and the demand for office spaces, urban and semi-urban accommodations. The construction industry is therefore one of the major sectors in terms of its direct, indirect, and induced impacts on all sectors of the economy.
In India, the real estate industry is the second largest employment generator after agriculture. Around three houses are built per 1,000 people per year as against the required construction rate of five houses per 1,000 individuals per year, as per industry estimates. This indicates that there is significant untapped potential for growth in the sector. While the current shortage in housing in urban areas is pegged at around 1 crore units, the shortage in the affordable housing space is expected to be much higher considering the population belonging to that strata. Along with this, increased economic growth and the uptick in India's service sector have created additional demand for office space, which in turn is likely to result in greater demand for housing units in the nearby vicinity.

India is in the top 10 price-appreciating housing markets internationally. Therefore, it is also expected that this sector will incur more non-resident Indian (NRI) investment, both in the short term and the long term. The growing flow of funds through the FDI route in Indian real estate is encouraging increased transparency. Developers, to attract funding, have revamped their accounting and management systems to meet due diligence standards.

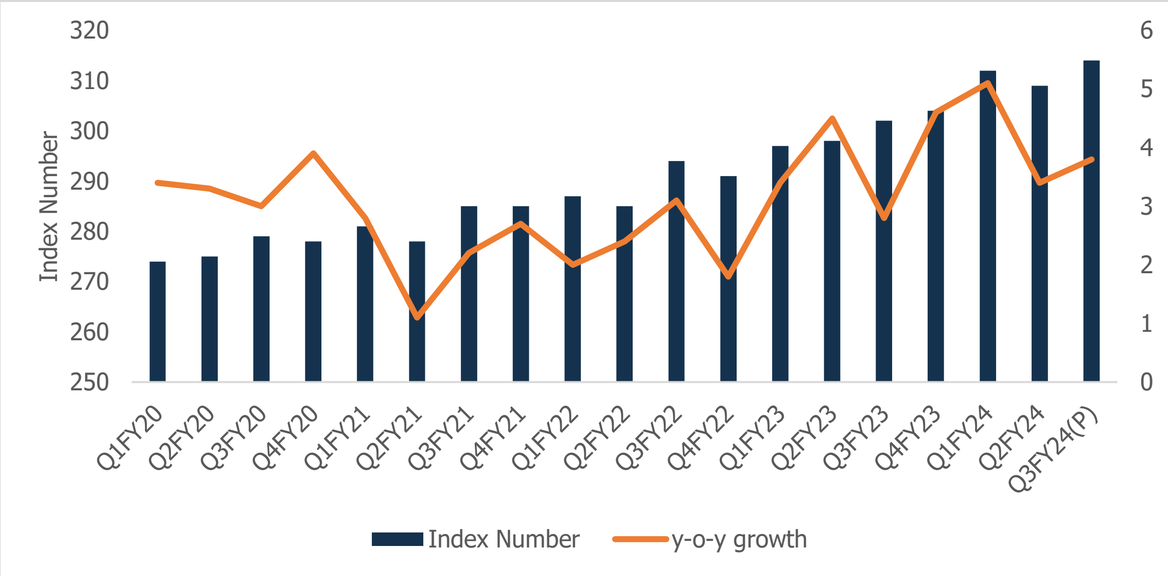
The housing finance sector in India comprises financial institutions, scheduled commercial banks, regional rural banks, agriculture, and rural development banks, housing finance companies, state-level apex cooperative housing finance society, NBFCs, Finance institutions ("**MFIs**"), and self-help groups.

The purpose of a housing finance system is to provide the funds to home aspirational. In many countries, the government has created a complex procedure for availing finance which has complicated the housing finance system. The important feature of any financing scheme is the ability to channel the funds of investors to those purchasing their homes. The role of housing finance is to eliminate these obstacles and contribute to better living standards for a thriving economy. This will directly or indirectly generate demand for supporting industries and lead to the creation of job opportunities.

India has changed socially and there is no stigma attached today to go for borrowed funds. The emergence of housing finance is a major business in the country, the demand for housing loans was rapidly increasing in recent years. The reasons for this were easy affordability of housing, declined property prices, reduced interest rates, attractive tax incentives, supporting government policy (PMAY), and an increase in overall household incomes. Despite policy focus and sustained government efforts, India still suffers from a housing shortage that could increase with a rising population.

Movement in Housing Price

All India House Price Index



Source: RBI
Note: p indicated projected index

The RBI compiles quarterly house price index for ten major cities, viz., Mumbai, Delhi, Chennai, Kolkata, Bengaluru, Lucknow, Ahmedabad, Jaipur, Kanpur and Kochi and an average house price index representing all- India house price movement based on the individual city indices. These indices are based on the official data of property price transactions collected from registration authorities of respective state governments.

According to the recent All-India Housing Price index published by the RBI, the residential prices exhibited an upward trend in FY23, reflecting pent-up demand following the pandemic. In Q1FY24, the HPI is projected to have reached its highest level in the past decade, standing at 312, a growth of 5.1% y-o-y. In Q2FY24, the index declined to 309, however for Q3FY24 it is projected to reach at 314, indicating approx. 4% growth y-o-y. This upward trajectory in housing prices can be attributed to the increased costs of construction materials and labor, along with healthy demand in the market. Notably, the overall momentum in housing prices has been consistently positive, even surpassing the levels observed before the onset of the pandemic. Rising HPI indicates resilience in demand in the housing market and its ability to absorb higher prices. The sustained growth in the HPI also suggests a favorable market environment and a positive response from buyers, supporting the overall stability and strength of the housing sector.

Within the residential real estate segment, we expect the following trends to lead to revival and growth –

Relocations and shift in buying behavior – The Covid-19 pandemic shifted the attitude that resulted in consumers buying new homes. As the pandemic forced individuals to spend all their time within the confines of their homes, most families became acutely aware of the lack of space or limitations with respect to facilities offered in their complexes. We expect such families to be motivated to relocate and make new purchases due to the want of more open space, modern amenities, proximity to their workplace, and desire to relocate closer to extended families and friends. The demand for projects with good architecture, uncluttered space, and recreational activities for children and the elderly is projected to increase.

Holiday and second homes – The need for social distancing and pandemic-led cabin fever opened up a new avenue for realtors – second homes and holiday homes. Consumers, mainly those belonging from affluent classes, are feeling the need for owning a holiday home for quick, short breaks over the weekend, workcations, or the want for socially distancing in second homes.

Urbanisation – Rapid urbanization bodes well for the sector. India is the second largest urban system in the world. Indian cities are home to about 11% of the total global urban population. Urban growth is expected to contribute to around 73% of the total population increase by 2036 according to Ministry of Health and Family Welfare (MoHFW), 2019. According to Census of India 2011, India has an urbanisation level of 31.1% which has only increased over the years. Earlier estimations indicate that about 41.6 crore people will be added as urban dwellers in India between 2018 and 2050 according to United Nations study dated 2018 and that India will be 50% urban by 2050 according to UN-Habitat, 2017.

Housing loan

The residential real estate segment was witnessing a slowdown over the last few years due to a pile-up of unsold inventory, stalled projects, and weak demand following rising property rates. The Covid-19 pandemic added to the problems of the industry by completely halting construction activity during the lockdown. With the gradual reopening of the economy, construction activity resumed, but with migrant workers returning to their hometowns, the pace of construction was slow.

While the lockdown and the reverse migration of workers impacted the supply-side, demand from buyers also remained subdued especially during the first half of the FY21. The restrictions on the movement led to buyers deferring purchases of a new property. As the pandemic stretched on, fears surrounding its spread prompted consumers to prefer saving over-investing in new homes.

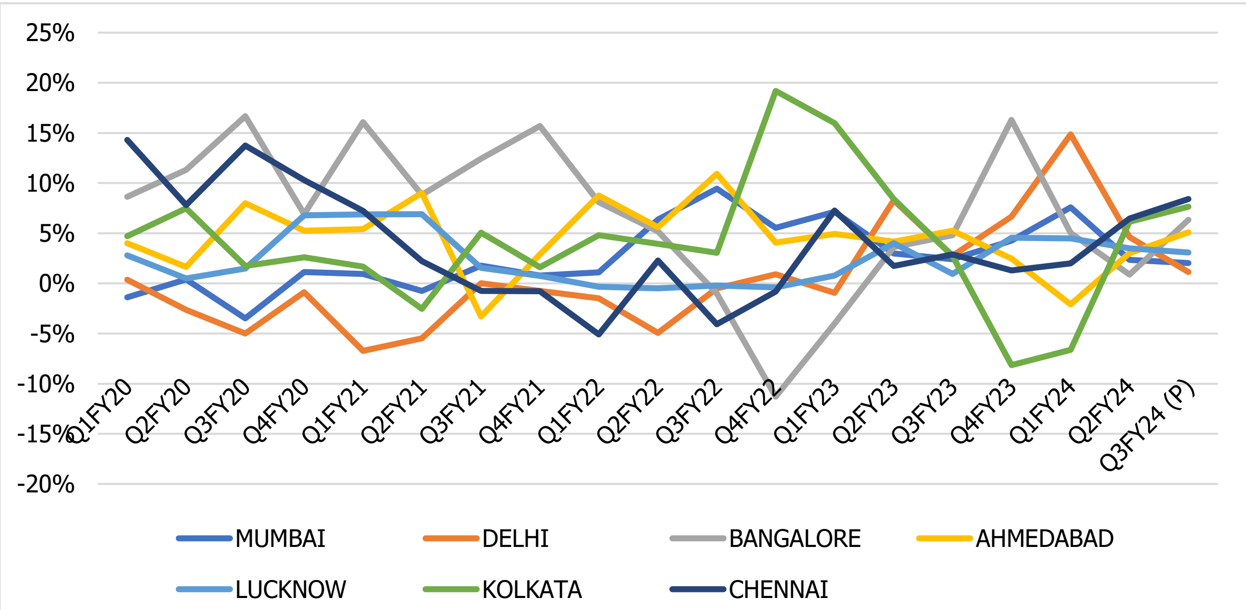
The RBI's Housing Price Index showed a slowdown in property prices during the H1FY21 before the trend reversed in the second half and the property prices improved. Muted property sales impacted cash flows of developers and lower cash availability ultimately impacted project completions. Together, the drop in demand from buyers and constraints on the supply front resulted in the real estate industry facing one of its worst years.

Property prices in India

The RBI compiles quarterly house price index for ten major cities, viz., Mumbai, Delhi, Chennai, Kolkata, Bengaluru, Lucknow, Ahmedabad, Jaipur, Kanpur and Kochi and an average house price index representing all- India house price movement based on the individual city indices. These indices are based on the official data of property price transactions collected from registration authorities of respective state governments.

According to the recent All-India Housing Price index published by the RBI, the residential prices exhibited an upward trend in FY23, reflecting pent-up demand following the pandemic. In Q3FY24, the HPI is projected to have reached its highest level in the past decade, standing at 314, a growth of 3.9% y-o-y. This upward trajectory in housing prices can be attributed to the increased costs of construction materials and labor, along with healthy demand in the market. Notably, the overall momentum in housing prices has been consistently positive, even surpassing the levels observed before the onset of the pandemic. Rising HPI indicates resilience in demand in the housing market and its ability to absorb higher prices. The sustained growth in the HPI also suggests a favorable market environment and a positive response from buyers, supporting the overall stability and strength of the housing sector.

Housing Prices Growth: By cities



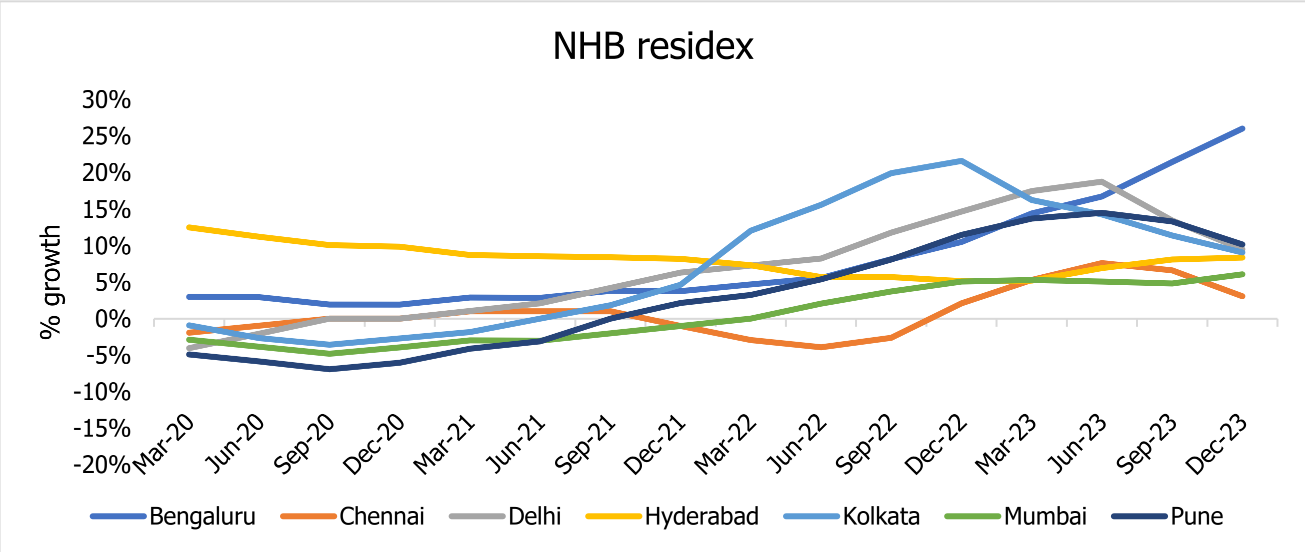
Source: RBI

NHB Residex

NHB RESIDEX, India's first official housing price index, was an initiative of the National Housing Bank (NHB). The NHB RESIDEX is designed to track changes in housing prices at neighborhood, city, and national levels. Price changes will be measured over time and across cities and various locations within cities. NHB RESIDEX will help recognize current trends in micro as well as macro markets and predict the future behavior of the housing market.

The HPI represents the price changes in residential housing properties. At present, the geographical coverage consists of 50 cities in India including 18 State/UT capitals and 37 smart cities, which will progressively be expanded to over 100 cities including all State/UT capitals and smart cities. Measuring overall change in housing prices in India is complex and challenging because of various data sources with dissimilar data sets. The information on housing prices varies according to the stage of transaction in which data is collected. As a result, three different prices including registered price, assessment price, and market price may apply.

NHB Residex for under-construction properties



Source: National Housing Board (NHB)

Data in the above chart shows that the prices of under construction properties moved up from the December 2021 and the pace of growth has been improving ever since. Due to the pandemic-induced lockdowns, housing prices contracted in Mumbai, Kolkata and Pune, while prices of under-construction properties remained stagnant in Chennai. Following the lockdown, property prices of under construction units continued to remain lower in Mumbai, possibly due to increased demand for ready-to-move in houses. Delhi, Kolkata and Hyderabad showed improvements in prices by around 8%, 10% and 17%, respectively, in FY22 as compared to FY20 while Chennai showed negative trend in FY22 as against FY20. In the FY23, there was a continues positive trend in price across all seven cities compared to FY22. And for Dec-23 quarter the price trend has continued to witness an upward trend. Particularly noteworthy were the improvement observed in Chennai and Kolkata, with price increase of around 8.4% and 7.6% respectively. Additionally, Bangalore and Ahmedabad exhibited price improvements of 6.3% and 5.1% respectively.

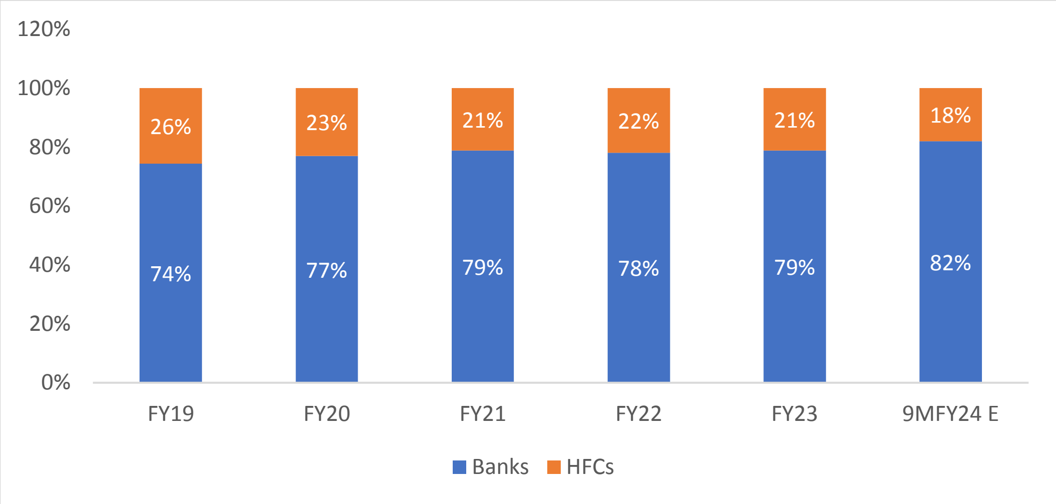
Overview of Housing Finance Companies

Housing Finance Companies (HFCs) serve as an alternative financing channel to the real estate and housing sector and are a part of the non-banking financial companies (NBFC) sector. HFCs play an important role in the Indian financial system by complementing and competing with banks, specializing in credit delivery to home buyers, providing an opportunity to those businesses which want to monetize their real estate assets and developers. They develop strong niches with their specialized credit delivery models that even larger players including banks have found hard to match.

HFC's share in Housing Finance

The rapid growth of housing loans in banks' portfolios over the last two decades has resulted in these loans becoming a significant component of the overall loan portfolio of banks. The HFCs have gained market share. Banks also purchase housing loan portfolios from other intermediaries and so the stock of loans outstanding may not reflect the proportion of disbursements.

Share of Bank and HFCs in housing finance portfolio



Source: NHB, CareEdge Research
Note: E indicates estimates

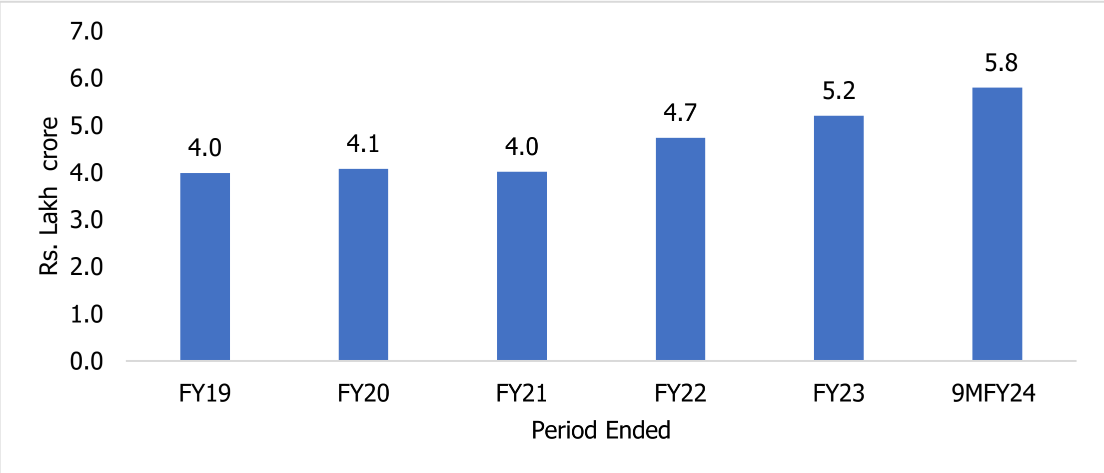
A rapid growth of housing loans in banks' portfolio over the last two decades has resulted in housing loans becoming a significant component of the overall loan portfolio of banks. Similarly, housing loans form a large chunk of HFCs loan portfolio more than half of HFCs loan book comprises of housing loans.

Banks continue to form a major chunk of market share in housing loans disbursed in India. However, banks also purchase housing loan portfolios from other intermediaries and so the stock of loans outstanding may not reflect the proportion of disbursements.

Trend in Housing Loans Outstanding

Housing finance accounts for more than 70% of housing finance companies (HFCs') loan book. HFCs' credit towards housing finance gained significant traction post the pandemic. As of 9MFY24, total housing loan portfolio of HFCs is expected to have reached Rs. 5.8 lakh crores, the growth is likely to have tapered down on account of estimated high-base of FY23.

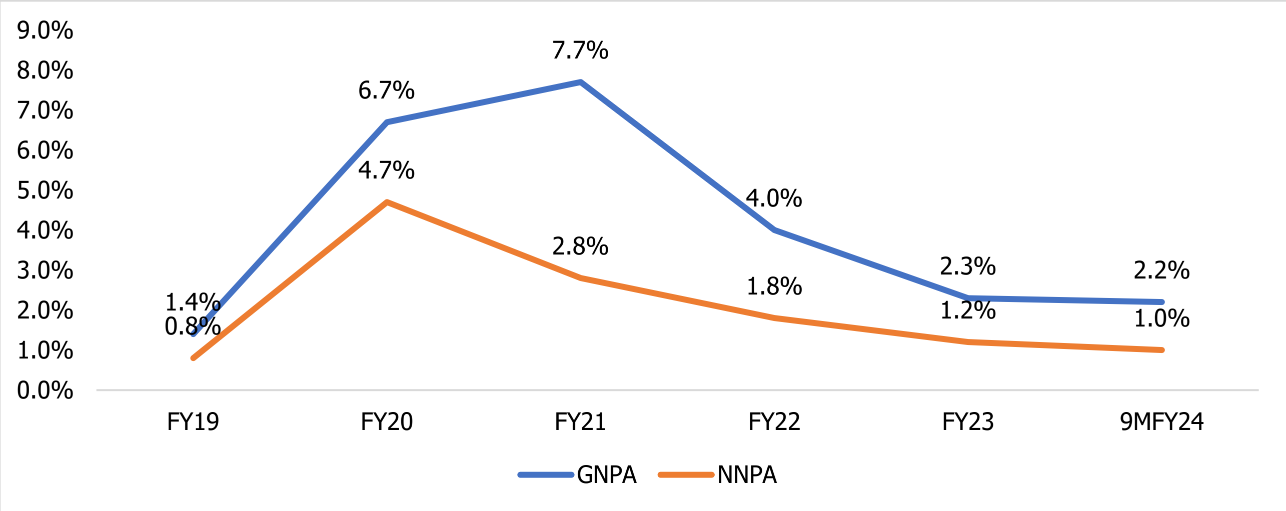
Outstanding Housing Finance Portfolio



Source: RBI, NHB, CareEdge Research Estimates
Note: Figures are excluding HDFC's loans outstanding

Asset quality of HFCs

HFCs Asset quality



Source: RBI, CareEdge Research
Note: Asset quality for 9MFY24 is estimated

The asset quality of HFCs is expected to have further improved in 9MFY24 on account of good recoveries, increased provisions, low slippages supported by asset recognition norms. The non-performing assets are expected to have declined on account of restructuring of loan book and write-offs. Additionally, healthy growth in disbursement, improved demand for credit and capital adequacy of HFCs has also aided the improvement in asset quality.

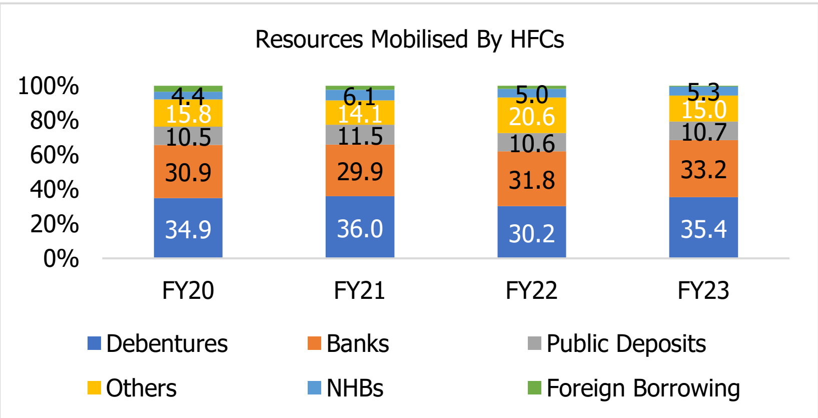
The asset quality of HFCs is expected to have improved in FY23 on account of good recoveries, increased provisions, low slippages supported by asset recognition norms. Additionally, healthy growth in disbursement, improved demand for credit and capital adequacy of HFCs has also aided the improvement in asset quality. The non-performing assets are expected to have declined on account of restructuring of loan book and write-offs.

Over the years, the asset quality of HFCs has also improved as they have shifted their focus towards retail loans that have low slippages compared to corporate loans and are low risk in nature.

Resource Profile of HFCs

The sources of funds for HFCs include public deposits, external commercial borrowings, and commercial papers and refinance support provided by NHB, though they primarily rely on debentures and bank borrowings. As on March 202, debentures and borrowings from banks constituted around 69% of the total resources mobilized.

Share in Resources Mobilized by HFCs



Source: RBI, CareEdge Research

HFCs predominantly rely on debentures and bank borrowings for funds, constituting around two-thirds of the total resource profile. However, over the years the mix between debentures and bank debt has significantly altered.

HFCs had a high reliance on Debentures to the extent of 39% in FY19. Over the last few years, the proportion of Debentures in HFCs resource profile has significantly declined to just approx. 1/3rd of the total resources raised by HFCs as of March 31, 2023.

Debentures: Over the period debentures have continued to remain the preferred source of borrowing for HFCs.

Similarly, in the evolving risk-averse market conditions, the reliance on bank debt for resource raising has increased and constitutes to 1/3rd of the total resources.

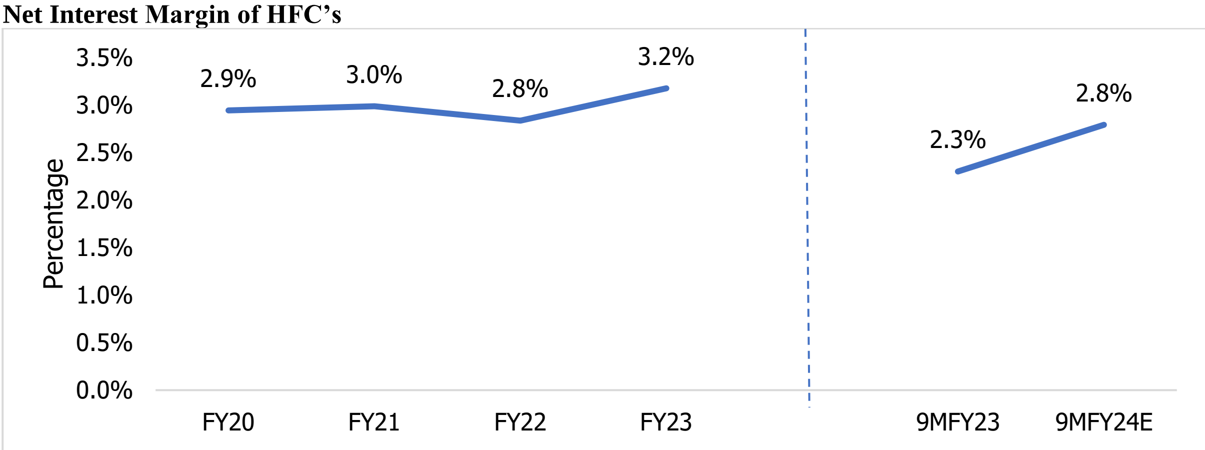
Public deposits: The share of public deposits has remained around 10.5% to 11.5% between FY20- FY23.

NHB: HFCs have reduced their dependency on NHB for borrowing funds during FY19 and FY20. However, their share has increased in the last 3 years.

Foreign borrowings: The dependency of HFCs on Foreign funds has reduced in the recent past.

Profitability

Net Interest Margin of HFC's



Source: Company reports, CareEdge Research
Note: Figures is calculated on the basis of NIMs of 5 major players excluding HDFC's NIM

The net interest margins of HFCs has remained range bound over the past few years. In FY23, the NIMs of HFCs have improved over FY22 and continue to see y-o-y growth in 9MFY24 as well. Over the years housing finance companies have seen improvement in collection efficiency, increase in interest rate spreads and decline in non-performing assets, uptick in assets under management which has aided in better profitability of HFCs. Additionally, the growth is driven by HFCs increase in credit towards home loans which are secured and are high margin loans in nature.

Outlook

CareEdge Research expects housing finance companies to grow between 10%-12% in FY25 on the back of sustained demand from the affordable housing segment, rising urbanization, low mortgage to GDP ratio, favorable demographics and increase in need of house ownership. However, the rising borrowing costs, stiff competition from banks, hike in interest rates, high property prices and moderation in home affordability will continue to be key challenges for the overall housing finance segment. The asset quality of housing finance companies is likely to be impacted by the inability of the borrower to repay amid interest rate hikes and rise in inflationary pressures.

The growth of housing industry will be supported by continuous efforts of the Government towards affordable housing finance, such as the Pradhan Mantri Awas Yojana ("PMAY"), which was launched in June 2015 to provide affordable housing to the urban poor. As on 1st February 2024, the Government allocated an outlay of approx. Rs. 86,000 crore under PMAY towards the completion of existing projects. While CareEdge expects this to facilitate the affordable housing segment, it is unlikely that significant benefits will be witnessed in FY25. CareEdge expects the outcome of this additional outlay under PMAY in the medium term to remain contingent upon the efficient construction and timely delivery of houses.

Data as per PMAY, since inception, the Government sanctioned 118.9 lakh houses under PMAY, of which 82 lakh houses were completed as of 18th April 2024. CareEdge expects the demand for affordable housing segment to increase supported by the increased Government incentives. CareEdge expects the overall boost in demand in the residential segment to aid the need for housing finance.

Loan against Property

The housing finance company's (HFC) plays a vital role in the Indian financial sector. HFC financing has gained significant traction in the last couple of years. Housing finance accounts for more than 70% of housing finance companies (HFCs') loan book. The sector witnessed improvement in the asset quality in FY23 on account of good recoveries, healthy growth in assets under management and improved demand post the ramp up in economic activity. In FY23, the asset quality of HFCs has further improved on account of increased collections efforts and high provisions.

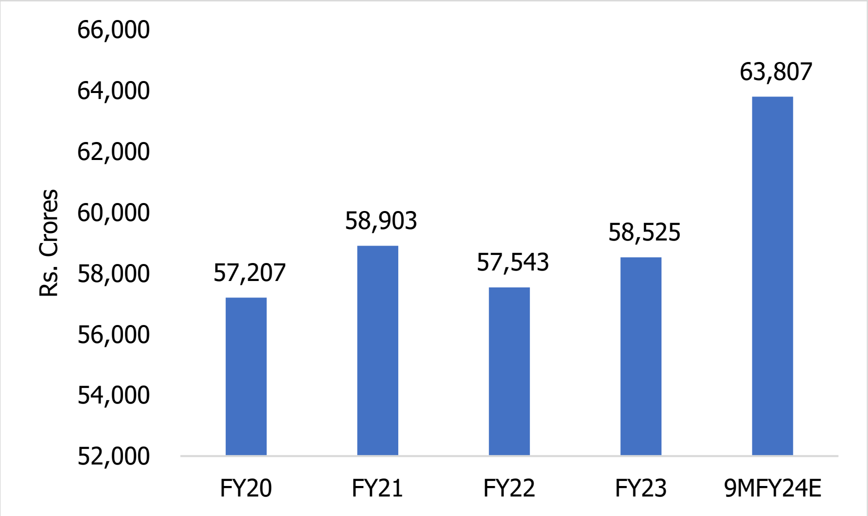
The loan against property (LAP) segment is one of the major sectors in terms of its direct, indirect, and induced impacts on all the sectors of the economy. Healthy growth of LAP portfolio in HFCs over the last few years has resulted in LAP segment becoming a significant contributor to the overall loan portfolio of HFCs. LAPs fall under the secured loan category in which the borrower pledges his commercial, industrial or residential property as collateral and uses the loan amount for various purposes such as- education, medical expenses, marriage and personal needs.

The housing finance sector in India comprises financial institutions, scheduled commercial banks, regional rural banks, agriculture, and rural development banks, housing finance companies, state-level apex cooperative housing finance society, Non-banking financial companies (NBFCs), Finance institutions (MFIs), and self-help groups. These institutions provide loan against properties after evaluating the borrower's credit history, income and property's current value. LAP is one of the feasible options as it offers benefits like- managing big ticket expenses, longer repayment term and augmentation of business.

Overview & Trends in Loan against Property

Following the slowdown during the Covid-19 outbreak, the situation has significantly improved on account of government vaccination drives and policies. Where, home loan segment saw an improvement in the portfolio due to higher demand in urban area, and better affordability, the LAP portfolio witnessed muted growth in FY20 and FY21 in light of pricing and repayments risks. The loan book portfolio of 5 major HFCs- LAP segment showed a degrowth of 2.3% on y-o-y basis in FY22, after witnessing disruptions in business volumes due to pandemic.
During FY23, the HFCs LAP portfolio (of 5 major HFCs) stood at Rs. 58,525 crores, a increase of mere 1.7% y-o-y. HFCs LAP portfolio (of 5 major HFCs) saw a growth of nearly 11% y-o-y in 9MFY24 reaching Rs. 63,807 crores

Trend in HFCs Credit towards Loans against Property



Source: Company Reports, CareEdge Research
Note: Figures include LAP portfolio of 5 major players excluding HDFC's LAP outstanding

Outlook

The growth momentum in the HFC LAP portfolio is expected to continue as financial institutions aim to maintain healthy balance sheet by tapping the untouched market of tier- 3 and tier-4 areas. Other factors driving up the LAP loan portfolio includes- decrease in the average age of home loan borrowers, controlled credit cost and expansion in scale of operations.

Technologies and new age lending platforms will play a crucial role in scrutinizing the borrower's profile to eliminate credit risk, improve collections and resolve financial emergencies. The enhanced use of digital solutions adopted during the pandemic (such as easy payments and marketing through digital platforms), increased demand for loan products and the same has strengthened the LAPs and resulted in healthy business growth.

While the LAP segment is envisioned to flourish, certain macro- economic factors like- high inflation, surge in interest rates and NPAs can dampen the loan portfolio growth. Further, layoff and wage decline scenario also put pressure on the loan portfolio growth. Nonetheless, as India as on a road to become USD 5 lakh crore economy, real estate sector will fuel the demand for the same.

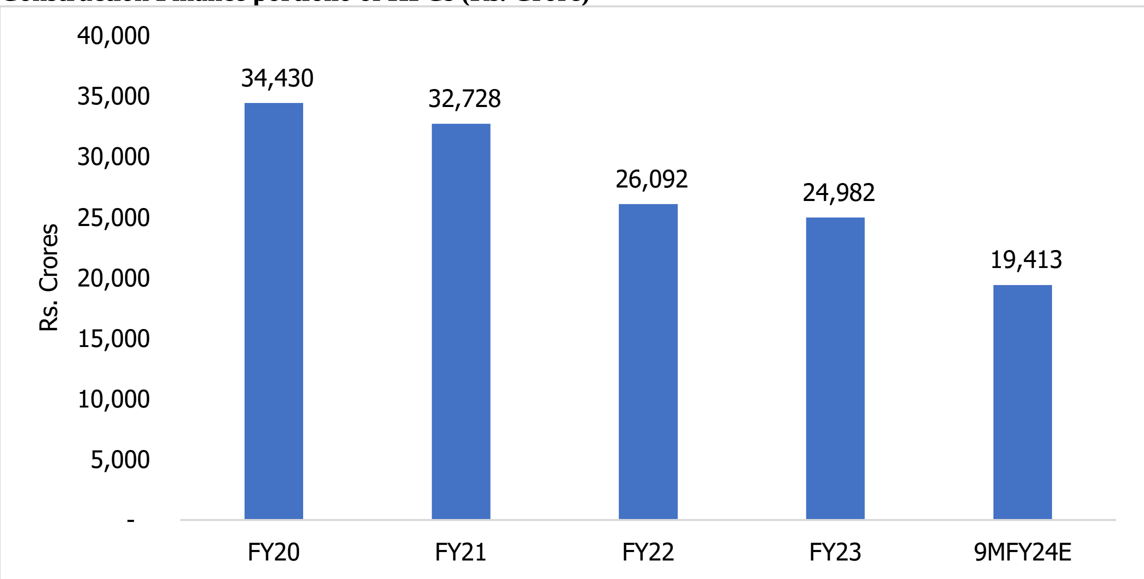
Government has taken various steps to promote real estate industry growth, such as smart city project that aims to build 100 smart cities and the Pradhan Mantri Awas Yojana (PMAY) that will accelerate the process of loan approvals. Thus, massive amount of government spending, easing of FDI regulations, mega infrastructure projects will bolster the growth of loan against property segment in the medium term.

Construction Financing

A construction loan or construction finance is a short-term loan intended to fund a project. This type of loan is used by the contractors or developers who require constant funding in construction businesses. Generally, these funds are used to cover the cost of materials, labor, equipment or other expenses incurred in construction projects.

Construction finance helps real estate developers to deal with large upfront costs and manage their cashflows effectively. This source of funding also reinforces mitigation of risk.

Construction Finance portfolio of HFCs (Rs. Crore)

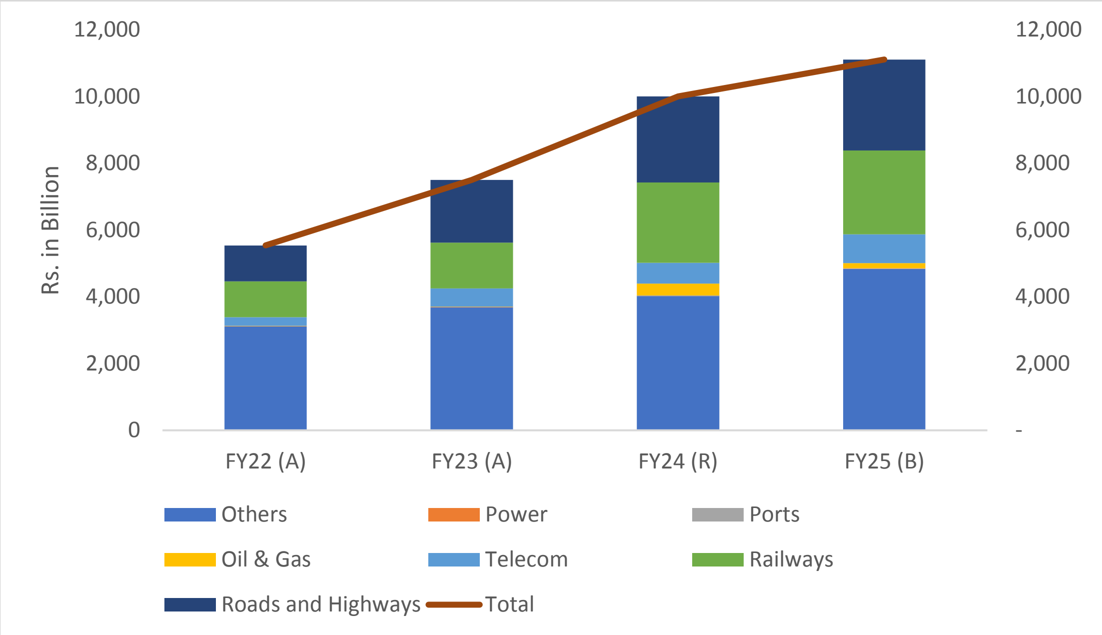


Source: *Company's Financials*

Note: Data comprises of HFCs construction finance segment portfolio amount of 4 companies- LIC Housing Finance Ltd, PNB Housing Finance Ltd, Bajaj Housing Finance Ltd and Can Fin Homes Ltd.

The construction portfolio of HFCs observed a degrowth of about 2% during FY22. This is mainly due to halt in construction activities as the Indian economy was adversely impacted by the pandemic which resulted in lockdown and restriction of movement. Further, the shift in labor force (migration) has also led to halt. During FY23, the economy witnessed an uptick in construction and real estate activities, however the construction finance portfolio of HFCs remained significantly low.

Budget Allocation Towards Infrastructure*



Source: Union Budget 2024-25
Note: A – Actual budget; R- Revised budget; B- Budgeted
**Including investments in public enterprises*

It is expected that the construction projects will see a rise in FY24 on account of increased capex towards infrastructure and steady growth in real estate sector. With the pre-election year in 2023, the government is expected to increase its infrastructure investments both at the state and central levels. This includes a 33% increase in budgetary allocation to Rs. 10 lakh crore for infrastructure, a capital outlay of Rs. 2.4 lakh crore for Indian Railways and the announcement of 100 new transport infrastructure projects.

Affordable Housing

The affordable housing finance segment is the largest – and most challenging - within India's housing finance sector. India's typical affordable HFC customer resides in Tier-2 and Tier-3 cities, is unfamiliar with the concept of credit, has a low informal income, does not possess income documents, and is usually self-employed. These realities warrant the use of specialized expertise in addition to what is used in conventional lending.

Over the last decade, several new players have emerged in the housing finance market focusing primarily on the affordable housing segment. In FY21 the housing sector was booming on account of high demand of homes coupled with low supply of homes. Additionally, the affordability of the home buyers was high led by low interest rates. However, with the rising inflation and RBIs rate hike, and the housing market being sensitive to fluctuations in rates has been impacted.

As of 18th April 2024, data as per Pradhan Mantri Awas Yojana – Urban (PMAY-U) since inception, the Government sanctioned 118 lakh houses of which more than 82 lakh houses were completed. In FY24, housing loans are expected to have formed significant chunk of loan, followed by loan against property then construction finance respectively.

OUR BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. This section should be read in conjunction with the sections "Industry Overview", "Forward Looking Statements", "Risk Factors", and "Financial Information" on pages 72, 15, 16 and 146 respectively. Unless otherwise indicated or unless the context otherwise requires, the financial information included herein is derived from our Audited Financial Statements and Unaudited Financial Results as included in this Draft Prospectus. Our fiscal year ends on March 31 of each year and references to a particular fiscal year are to the twelve months ended March 31 of that year. In this section, any reference to "we", "us" "our" or "our company" refers to Nido Home Finance Limited.

Overview

Our Company is a non-deposit taking Housing Finance Company focused on offering secured loan products to suit the needs of individuals, including small ticket loans to our customers in the affordable housing category. We are a part of Edelweiss group which is one of the leading diversified financial services groups in India. Our Company was incorporated on May 2, 2008. Our Company has obtained a Certificate of Registration dated May 19, 2023 bearing registration no. DOR - 00081 issued by the Reserve Bank of India under Section 29A of the National Housing Bank Act, 1987 pursuant to the change in the name of the Company from Edelweiss Housing Finance Limited to Nido Home Finance Limited to commence/carry on the business of a housing finance institution without accepting public deposits subject to the conditions mentioned in the certificate of registration.

However, RBI and NHB does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company or for the correctness of any of the statements or representations made or opinions expressed by the Company and for the repayment of deposits/discharge of liabilities by the Company.

We offer customers a range of mortgage-related loan products, including:

- **Home Loans,** which includes offering secured loans to salaried individuals, self-employed individuals, and others for purchase/ construction/ renovation of residential properties, against mortgage of the same property, comprises 56.97% of our Loan Book as at March 31, 2023 and 60.88% of our Loan Book as at December 31, 2023.

- **Non-Housing Loans including loan against property (LAP)**, is a loan facility majorly offered to self-employed individuals, against an unencumbered property, where the end use may be towards deployment of working capital, purchase of property or any other purpose. As a part of LAP, lease rental discounting is also offered where the lessee is a corporate entity. The contractual tenure of the loans generally ranges up to 15 years bases on specific products. LAP includes offering loans for business purposes or for the purchase of commercial property or for investment in asset, against mortgage of the same property, comprises 31.41% of our Loan Book as at March 31, 2023 and 27.79% of our Loan Book as at December 31, 2023.

- **Construction Finance**, is a loan facility offered to real estate developers towards the cost of the construction of residential project. The financing is against a real estate collateral along with / without any other security. The loan disbursements are construction linked. The contractual tenure of the loans generally ranges up to 5 years. Construction Finance includes offering loans for construction of residential projects, against mortgage of the same property and/or other collateral, comprises 11.62% of our Loan Book as at March 31, 2023 and 11.33% of our Loan Book as at December 31, 2023.

- As on March 31, 2024 we have 67 offices in 67 cities in India. Over the past several years, we have diversified and expanded our presence into markets that are of greater relevance to the products we offer. Our offices aim at providing quick and seamless customer experience with emphasis on a single window interface for the customer. Our Branch Operations have significant technology architecture to ensure industry leading customer experience. Our operations are supported by 646 employees as on March 31, 2024.

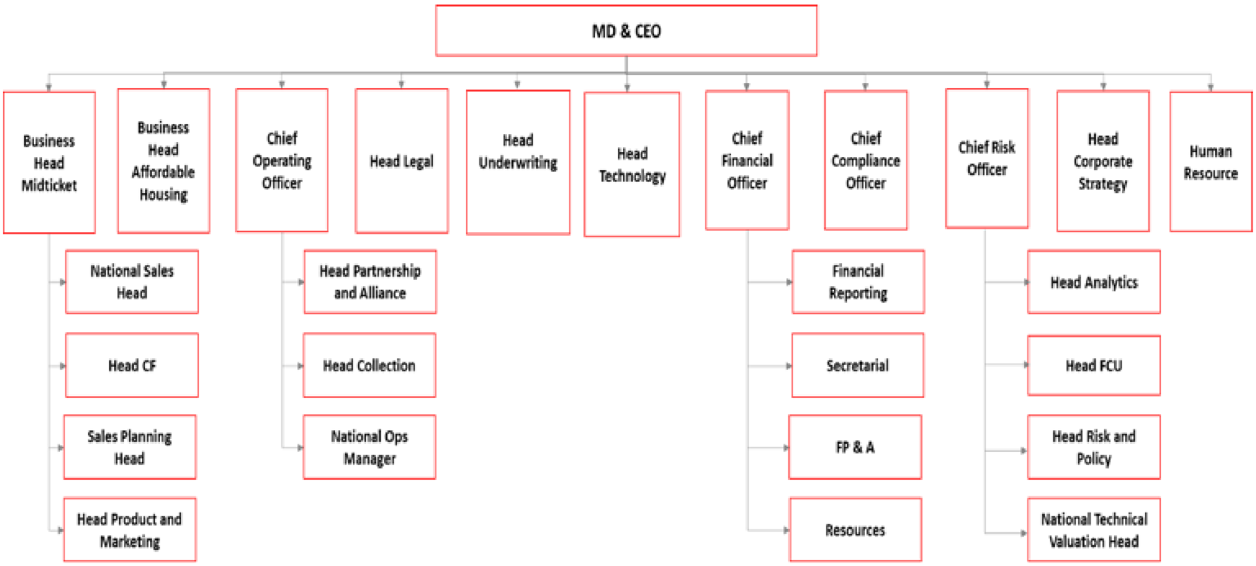
Our Loan Book was ₹ 30,692.05 million as at March 31, 2023 and ₹ 29,541.21 million as at December 31, 2023. Our total capital adequacy ratio December 31, 2023 computed on the basis of applicable NHB requirements was 34.84%, March 31, 2023 computed on the basis of applicable NHB requirements was 32.06%. Our gross NPAs and net NPAs as a percentage of Loan Book was 2.24% and 1.61% respectively as at December 31, 2023, Our gross NPAs and net NPAs as a percentage of Loan Book was 1.91% and 1.46% respectively as at March 31, 2023.

Total income and profit after tax of the Company as of December 31, 2023 stood at ₹ 3,374.17 million and ₹94.16 million and for the year ending March 31, 2023 stood at ₹ 4,446.85 million and ₹ 160.63 million, respectively**.**

As at March 31, 2024, our Promoters Edelweiss Financial Services Limited, Edelweiss Rural and Corporate Services Limited and Edel Finance Company Limited hold 5.00%, 55.23% and 39.77% of our paid-up share capital, respectively.

Our Group Structure

The following chart outlines our group structure:



Key Operational Parameters

The following table sets forth the Key Operational and Financial Parameters of our Company:

(₹ in million)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
BALANCE SHEET			
Assets			
Property, Plant and Equipment	122.14	128.32	118.28
Financial Assets	37,319.47	39,213.42	49,027.16
Non-financial Assets excluding property, plant and equipment	420.77	224.85	165.56
Total Assets	**37,862.38**	**39,566.59**	**49,311.00**
Liabilities			
Financial Liabilities	**29,763.68**	**31,626.27**	**41,259.16**
-Derivative financial instruments	-	-	-
-Trade Payables	106.43	146.51	72.28
-Debt Securities	7,998.79	7,935.92	11,676.75
-Borrowings (other than Debt Securities)	9,966.96	14,485.73	22,628.38
-Subordinated liabilities	508.63	508.63	508.61
-Other financial liabilities	11,182.87	8,549.48	6,373.14
Non-Financial Liabilities	**154.02**	**164.00**	**423.96**
-Current tax liabilities (net)	13.90	5.68	16.90
-Provisions	43.85	43.98	37.62
-Deferred tax liabilities (net)	42.46	71.81	9.18
-Other non-financial liabilities	53.81	42.53	360.26
Equity (Equity Share Capital and Other Equity)	**7,944.68**	**7,776.32**	**7,627.88**

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Total Liabilities and Equity	**37,862.38**	**39,566.59**	**49,311.00**
PROFIT AND LOSS			
Revenue from operations	4,414.62	5,120.16	5,487.17
Other Income	32.23	18.94	23.37
Total Income	**4,446.85**	**5,139.10**	**5,510.54**
Total Expense	**4,238.78**	**4,937.28**	**5,591.26**
Profit after tax for the year	160.63	138.07	37.29
Other Comprehensive income	2.36	0.09	(2.21)
Total Comprehensive Income	162.99	138.16	35.08
Earnings per equity share (Basic)	2.32	1.99	0.54
Earnings per equity share (Diluted)	2.32	1.99	0.54
Cash Flow			
Net cash from / used in(-) operating activities	(533.63)	2,772.62	8,115.09
Net cash from / used in(-) investing activities	(49.18)	(17.47)	16.93
Net cash from / used in (-)financing activities	(1,343.37)	(9,281.40)	(3,605.37)
Net increase/decrease(-) in cash and cash equivalents	(1,926.18)	(6,526.24)	4,526.65
Cash and cash equivalents as per Cash Flow Statement	1,003.39	2,929.57	9,455.81
Additional Information			
Net worth	7,944.68	7,776.32	7,627.88
Cash and cash equivalents	1,003.39	2,929.57	9,455.81
Loans	30,270.43	30,964.41	35,958.59
Loans (Principal Amount)	29,926.41	30,520.49	35,543.46
Total Debts to Total Assets	0.77	0.78	0.81
Interest Income	4,163.11	4,453.13	5,026.66
Interest Expense	2,958.77	3,275.68	3,892.83
Impairment on Financial Instruments (Loans)	43.62	426.39	511.40
Bad Debts to Loans (Annualised)	0.10%	0.28%	0.18%
% Stage 3 Loans on Loans (Principal Amount)	1.75%	1.83%	3.31%
% Net Stage 3 Loans on Loans (Principal Amount)	1.29%	1.28%	2.94%
Tier I Capital Adequacy Ratio (%)	32.06%	28.28%	26.49%
Tier II Capital Adequacy Ratio (%)	0.00%	0.00%	0.00%

The following table sets forth the Key Operational and Financial Parameters as on December 31, 2023 of our Company:

(₹ in million)

Particulars	For nine month period ended December 31, 2023
Profit and Loss	
Revenue from operations	**3,324.91**
Other Income	49.27
Total Income	3,374.17
Total Expense	**3,249.83**
Profit after tax for the year	**94.16**
Other Comprehensive income	**-**
Total Comprehensive Income	94.16
Earnings per Share (₹)	
- Basic	1.36
- Diluted	1.36

Our Strengths

We believe that the following are our key strengths:

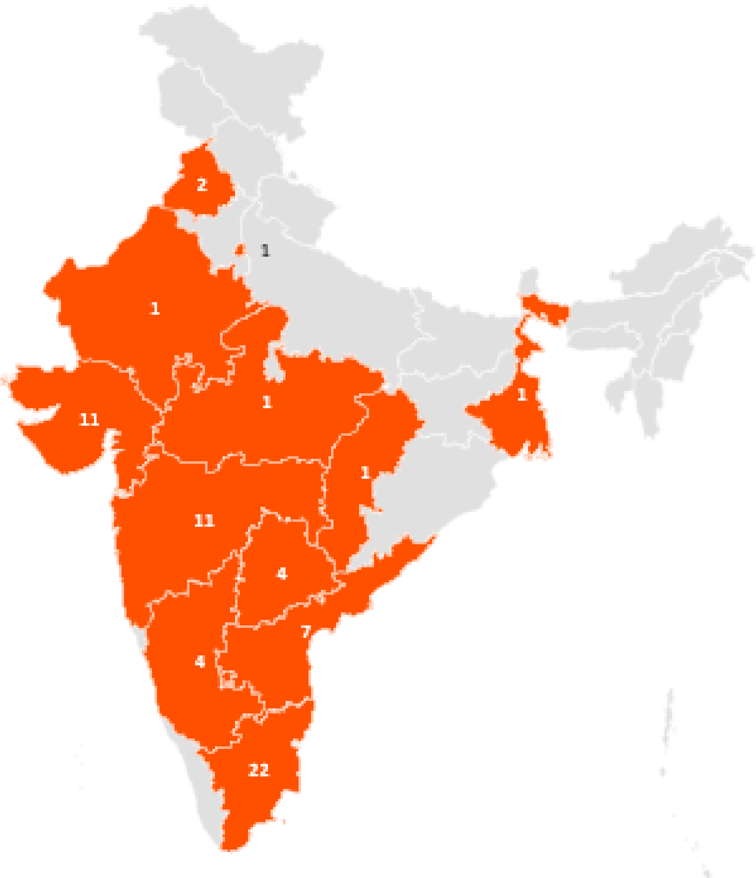
Established brand and parentage

The Edelweiss group is one of India's prominent financial services organizations offering products/services portfolio which cater to the diverse investment and strategic requirements of corporate, institutional, high net worth individuals and retail clients. We believe that Edelweiss today enjoys a strong brand franchise in the financial services space backed by a reputation.

Despite the change in name of our Company to Nido Home Finance Limited, we are still part of the Edelweiss group. We believe that the Edelweiss brand is well recognized and by leveraging on the existing relationships and synergies with the Edelweiss group we will be able to further expand the size of our Loan Book, launch new products and build scale. We further believe that the relationships that Edelweiss group has developed provides us with opportunities for cross selling our products through customer reference.

Pan-India distribution network

Our pan-India network spanned across a total of 67 offices in 67 major Indian cities as at March 31, 2024, as shown below:



Note: Map is not according to scale and is only for illustration purposes.

Our extensive network enables us to acquire more customers for our retail businesses where increased profitability and ROE are based upon increased scale of business. Our retail customer base was approximately 20,000 as at March 31, 2024.

Access to range of cost effective funding sources

Our funding requirements are predominantly sourced through credit facilities from banks, NHB and the issuance of redeemable non-convertible debentures on a private placement basis/through public issuance. We have, over the period of last few years, accessed funds from multiple classes of credit providers, including nationalized banks, private Indian banks, and mutual funds. Access to low cost borrowings under the NHB refinance window helps us reduce our cost of borrowings. We believe that we have developed stable long-term relationships with our lenders and established a track record of the timely servicing of our debts. Our Total Borrowings were ₹ 16,426.46 million and ₹ 18,403.37 million as at December 31, 2023 and April 5, 2024, respectively.

The NBFC/HFC sector has also seen its ups and downs, be it due to the Covid pandemic or earlier on due to the liquidity squeeze of 2018. In such a dynamic, ever-evolving environment, we have embraced a new asset-light business model, which has been built on the back of strategic tie-ups with renowned banks and financial institutions. Under this model, we have leveraged co-lending, direct-assignment, and securitization frameworks to access ALM-matched capital. Almost two-thirds of our AUM has been processed through direct assignment, securitization, or co-lending transactions, which strongly validates the asset-light business mode.

Particulars	For nine month period ended December 31, 2023	For the		
		Fiscal 2023	Fiscal 2022	Fiscal 2021
Average Cost of Borrowing	10.03%	9.18%	8.96%	9.28%

Capitalisation

Our Company operating under our HFC license is subject to the capital to risk assets ratio ("**CRAR**") requirements prescribed by the NHB/ RBI. We are required to maintain a minimum CAR of 14% on or before March 31, 2021, 15% on or before March 31, 2022 and 15% on or before March 31, 2023. We maintain a CRAR higher than the level that is prescribed by NHB/RBI as applicable.

Our CRAR as at December 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, is as under:

	Minimum Regulatory CRAR	CRAR as on December 31, 2023	CRAR as on March 31, 2023	CRAR as on March 31, 2022	CRAR as on March 31, 2021
Total Capital Ratio (calculated as per Ind AS)	14% by March 31, 2021 15% by March 31, 2022 15% by March 31, 2023	34.84%	32.06%	28.28%	26.49%

While we believe that we are currently adequately capitalised, we continue to seek fresh capital or release capital through securitisation of assets to fund our future asset growth as also to ensure that we do maintain a sufficient cushion over the regulatory minimum CRAR.

Diversified credit profile, strong credit evaluation and risk management systems

We launched our credit business around 13 years ago with retail credit products and we have diversified our credit portfolio since then by adding other products. While the home loan portfolio constitutes the largest part of our credit book, we seek to diversify our credit risk and ensure that no individual credit product contributes a large portion to our overall credit book subject to the conditions stipulated in the HFC license. At the same time, home loans are generally considered less riskier based on their historical performance across lenders. We believe that this mitigates the risk of concentration to any particular product or sector and helps us to manage our risk exposure in a more effective manner. Within each product too we seek to mitigate the risk by catering to a diverse set of clients. We believe that the scale of our retail credit portfolio imparts stability to the credit book because retail loans are fairly sticky and stable with no concentration risk.

We believe that our business processes ensure independence of functions and a segregation of responsibilities. We believe that our credit appraisal and credit control processes, centralised operations unit, approval of loans at transaction level and in house internal audit unit for checking compliance with the prescribed policies, as well as our risk management processes and policies allow multiple layers of checks and verifications. These legal and technical verifications include collateral valuation, title search, document verification, fraud and KYC verifications, personal meetings with clients and internal review before the disbursement of loans. Our processes have been standardised with the objective of providing high quality of service and ensuring efficiency, and to facilitate integration of our workforce, processes, and technology. Each of our key business processes is regularly monitored by the respective business or operations head.

The asset quality of the overall credit book has continued to be under control with Gross NPLs at 2.24% and Net NPLs at 1.61 % as on December 31, 2023, and Gross NPLs at 1.91% and Net NPLs at 1.46 % as on March 31, 2023. While the asset quality deteriorated slightly during the pandemic and further due to global political headwinds, we had upfronted higher credit costs then. We have worked on our portfolio to reverse the credit cost due. We believe that we have the necessary internal controls and risk management systems to assess and monitor risks across our various product lines. Our risk management systems function through an independent risk and credit underwriting hierarchy. We seek to monitor and control risk exposure through a variety of separate but complementary financial, credit and operational reporting systems.

Well Defined Processes

We believe our business processes ensure complete independence of function and segregation of responsibilities. We believe our credit appraisal and credit control processes, centralized operations unit, independent audit unit for checking compliance with the prescribed policies and approving all loans at transaction level and risk management processes and policies provide for multiple checks and verifications for both legal and technical parameters, including collateral valuation and title search, document verification and fraud and KYC check, and personal meetings with clients. Further our processes have been standardized with the objective of providing high levels of service quality while maintaining process and time efficiency. This is done by facilitating the integration of workforce, processes, and technology. Our key business processes are regularly monitored by the business/operations head and risk head.

Our loan approval and administration procedures, collection and enforcement procedures are designed to minimize delinquencies and maximize recoveries.

We have a well-defined risk management policy framework for risk identification, assessment, and control to effectively manage risks associated with the various business activities. The risk function is mainly looked after by the Business Risk Group embedded in the business. We seek to monitor and control risk exposure through a variety of separate but complementary financial, credit and operational reporting systems.

Experienced Management Team and Culture

Our most important asset is our people. We seek to consistently reinforce our management strength and experience through strong corporate governance and our employees’ commitment to our business through recruitment, training and a performance review and compensation system emphasises teamwork. Our senior management has extensive experience in the banking and financial services sector. And each of our product lines is supported by a dedicated team of managers with specialised professional expertise.

We believe the strength of our senior management team helps us in implementing policies and processes that ensure healthy credit quality and high standards of work ethic and that our current management structure allows scalability. Our senior management seeks to maintain a strong focus on corporate governance.

Our management team is supported by a capable and motivated pool of 646 employees as on March 31, 2024. Our senior managers have an in-depth understanding of the specific industry, products, and geographic regions they cover, which enables them to appropriately support and provide guidance to our employees. We also have an in-house experienced legal team consisting of qualified professionals, well-equipped to handle all our legal requirements ranging from loan and security documentation to recovery, repossession, security enforcement and related litigation, if any. Our in-house legal team is also assisted by empaneled lawyers and technical vendors. We believe that the extensive relevant experience and financial acumen of our management and executives provides us with a distinct competitive advantage. Our Board, including the independent directors, also has extensive experience in the financial services and banking industries in India.

Future-ready Ecosystem Based on Data-Sciences and Analytics

During the pandemic, we prioritized investing in technology that is not only swift but also future-ready and adaptable. To achieve this, we developed an in-house system with a low-code, modular, and agile design. This approach has proven effective in providing quick turnarounds during integration with automated Co-lending Platform (“**CLM Platform**”). Additionally, our Company has invested in leveraging data sciences and analytics throughout the loan cycle. Our Company consistently focuses on a 360-degree usage of data sciences for driving overall business efficiency.

During the half year of financial year 2023-24, we upgraded our Loan Management System (LMS) and other peripheral system to the latest technology to support scalable business.

Portfolio Management: Our Company continues to leverage data science tools to monitor the overall portfolio quality and drive collection efficiency using tools for computing fraud risks, the propensity to pay, and the propensity to bounce.

Underwriting: Our Company has focused on standardizing the assessment process, particularly for customers with assessed income and self-employed individuals, and enabling scalability. Our Company has launched initiatives such as scorecards and credit bureau integrations to improve the ability to assess risk accurately and efficiently, resulting in enhanced decision-making.

Process efficiency: Our Company has developed several in-house tools such as signature matching and automated data extraction, and auto email classification for customer queries for streamlined operations, amongst many others. This has helped in achieving improvement in the overall customer experience.

Customer value management: To enhance customer lifetime value, data science models enable the Company to drive targeted retention and acquisition programs and provide cross-sell and up-sell recommendations.

The Company strongly believes in embracing and leveraging data sciences and technology to deliver value to all its stakeholders. This commitment was duly recognized when Our Company was awarded ‘Best Analytics HFC’ at India NBFC Summit & Awards and the ‘Best Data Science Housing Finance Company’ at World Leadership Congress & Awards, 2023. We were recently awarded ‘Excellence in Data Analytics (Housing Finance Sector)’ and ‘Excellence in Risk Management (Housing Finance Sector) at the National Awards for Excellence 2023 held in July 2023.

Our Strategies

Our key strategic priorities are as follows:

Retail Focus

We are focused on serving small-ticket home loans for low- and informal-income segments and ‘new to credit borrowers. We recognize that these customer segments are also important constituencies for affirmative action, and we have worked with the National Housing Bank to deliver on ‘Housing for All’ initiatives of the Government of India, such as the ‘Credit Linked Subsidy Scheme’ (CLSS) under the Pradhan Mantri Awas Yojana. We have continued to focus on building a granular, affordable housing portfolio, and our average ticket size is around ₹2.5 million. Our Company has a presence across 67 branches, as on March 31, 2024, strategically positioned in markets characterized by high urban migration, Tier 2 towns, and micro-geographies of Tier 1 cities. With PMAY, we have successfully facilitated subsidies up to ₹ 0.27 million, thus ensuring that home finance is within the grasp of our customers. We take pride in our association with PMAY has had measurable results. Our collaboration has reached an impressive base of ~5800 customers scattered across various cities. The total subsidies facilitated through PMAY by our Company have now reached an outstanding ~ ₹ 1.4 Billion.

Our growth strategy involves deepening our penetration in these existing markets, staying close to our target customer segment, and pursuing low-cost branch expansion to ensure future scalability.

As we look ahead, our growth trajectory aligns with the ‘Housing for All’ initiative. Our granular portfolio drives financial inclusion as we aim to expand our reach to newer geographies and untapped markets.

Sustainable Asset-Light Business Model

To achieve our vision of enabling home ownership to our target segment, we have established a future-ready asset-light business model that drives our capabilities.

Our asset-light business model is built on strategic collaborations, including co-lending tie-ups with marquee banks. Through our alliances with renowned banks and financial institutions, we offer Home Loans and Loan Against Property (LAP) products at competitive rates to our target segment, fostering a robust Asset Liability Management (ALM)-matched liabilities mix. These partnerships enable us to effectively manage our AUM, optimize the cost of finance, and drive profitability. We have also diversified our liabilities mix through sell-downs in direct assignments and securitization transactions. Almost two-thirds of our AUM has been processed through direct assignment, securitization, or co-lending transactions, which is a strong validation of the asset-light business model.

Minimize concentration risk by diversifying the Product Portfolio and expanding our customer base

We intend to further improve the diversity of our product portfolio as well as increase the granularity of our Loan Book while catering to the financial needs of our customers. Beyond our existing loan products, we intend to leverage our brand and office network, develop complementary business lines, and become the preferred provider of home loans in tier 2 and tier 3 towns.

Our diverse revenue stream will reduce our dependence on any particular product line thus enabling us to spread and mitigate our risk exposure to any particular industry, business, geography, or customer segment. Offering a wide range of products helps us attract more customers thereby increasing our scale of operations. We intend to grow the share of our disbursements to home loans, loans against property and construction finance to capture market share in what we believe is a growth area and improve the diversity of our loan exposure.

Optimizing return while maintaining the quality of Loan Book

We believe that we have implemented credit and risk management systems which we intend to rely upon to optimize our product mix in our loan portfolios. We believe that this will also help us in maintaining our margins in a volatile interest rate scenario.

Diversify borrowing mix and optimize cost of funds

We fund our capital requirements through a variety of sources, including credit facilities from banks, NHB and issuance of money market instruments. For details of our credit ratings as of March 31, 2024, please see "*Our Business – Credit Rating*" on page 106.

Over the years, we have focused on liabilities innovation by improving our assets liability management and diversifying our borrowing mix. As the assets profile is longer duration, our liability mix includes long term borrowings to ensure that we align our liabilities profile in sync with assets profile. We have raised term loans from banks and NHB and increased long term market borrowing by placement of NCDs. Additionally, we have leveraged securitization and direct assignment to source funds for longer duration. Based on our increasingly strong balance sheet, we believe that we will be able to further improve our credit ratings and tap newer sources of funds.

Building a Future-ready Ecosystem Based on Data-Sciences and Analytics

At our Company, we recognize the transformative power of technology and data sciences and continue to invest in developing future-fit capabilities in these areas. We are building scalable platforms and ecosystems by seamlessly integrating our data science capabilities with our technology platforms. Our efforts in this domain have been instrumental in driving multiple use-cases associated with portfolio management, customer value management (CVM), and process efficiency.

Data-Driven Decision Making: In our commitment to building a scalable underwriting framework, we have deployed state-of-the-art scorecards that allow higher approval rates at reduced risk to allow for efficient, fast, and accurate underwriting. Similarly, we have built quantitative fraud detection (early-warning) techniques that help further reduce risk. These advancements, along with our robust underwriting processes enable us to build a high-quality portfolio at scale.

Enhancing Customer Lifetime Value: We focus on enhancing customer lifetime value by executing effective retention and acquisition programs. Our strategies for cross-selling and upselling leverage advanced analytics, allowing us to provide personalized offers to our existing customers.

Scalability in Operations: We are breaking ground in using Data Science and Artificial Intelligence techniques to improve our operational efficiency. We have implemented several Computer Vision (CV) and Natural language processing (NLP) use cases to simplify our document processing. This allows us to digitally process documents quickly and accurately, improving our user and customer experience.

Improving Risk vigilance: We augment our risk management with extensive use of advanced analytics. Leveraging our rich historical data, we have built a suite of risk models, simulations, and dashboards that allow our risk function to manage risks effectively. Similarly, we use quantitative techniques to optimize our collections efforts.

Investing in IT Upgrades: During the last financial year, we significantly upgraded our IT platforms and assets. Our loan origination process benefits from simplified procedures and the use of advanced technologies. Additionally, our automated email classification for Query Resolution Cells (QRC) ensures prompt responses, contributing to efficient and satisfying customer service.

We have developed CLM process automation led by technology through API integration with the banking partners thus facilitating seamless and secure data sharing.

Continue to Attract and Retain Talented Employees

As part of our business strategy, we are focused on attracting and retaining high quality talent. We recognize that the success of our business depends on our employees, particularly as we continue to expand our operations. We have successfully recruited and retained talented employees from a variety of backgrounds, including credit evaluation, risk management, treasury, technology, and marketing. We will continue to attract talented employees through our retention initiatives and recruitment from colleges. Our retention initiatives include job rotation, half yearly reviews, performance based incentive, employee recognition programs, training at our training facilities and on-the-job training. We invest a significant amount of time and resources for training our employees, which we believe fosters mutual trust, improves the quality of our customer service, and puts further emphasis on our continued retention.

Achieve operations excellence by further strengthening our operating processes and risk management systems

We are focused on building a technology and process driven organization with a culture of compliance, audit, and risk management. Operations excellence and risk management forms an integral part of our business as we are exposed to various risks. We intend to continue to improve our operating processes and risk management systems that will further enhance our ability to manage the risks inherent to our business aided by deeper technological support.

The objective of our risk management systems is to measure and monitor the various risks, we are subject to and to implement policies and procedures to address such risks. Furthermore, we intend to continue to train existing and new employees in appraisal skills, customer relations, communication skills to improve customer centricity and risk management procedures to enable replication of talent and ensures smooth transition on employee attrition, update our employees with latest developments to mitigate risks against frauds and cheating.

Continue to leverage our large customer base

We have a large base of customers, spread across India, who have availed of loans from our company. In addition we have the ability to cross-sell our products to a very large base of customers of our group. We have developed a data analytics platform, which analyses customer information and helps us in originating new loan products and to cross-sell our current loan products. We intend to build on the momentum of cross selling our products and services to our existing customers – either of our company or of our group companies.

OUR PRODUCTS

Our company launched retail credit business in FY2011 by offering housing loans and diversified later by including small ticket affordable housing loans in Tier 2 and 3 cities, other business loans including loans against property (LAP) and residential projects construction finance. Our credit business is a mix of diverse and scalable products.

Product wise distribution of our Loan Book is as under:

(₹ in million)

Nido Credit Book at the end of	**As at December 31, 2023**	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
Housing Loans	17,985.77	17,484.53	18,361.70	20,785.24
Non-Housing Loans including LAP	8,208.33	9,639.01	11,453.87	14,451.92
Construction Finance	3,347.11	3,568.51	1,633.15	1,216.42
Loan Book	**29,541.21**	**30,692.05**	**31,448.72**	**36,453.58**

Percentage contribution of various products to the Loan Book is as under:

Nido Credit Book at the end of	As at December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Housing Loans	60.88%	56.97%	58.39%	57.02%
Non-Housing Loans including LAP	27.79%	31.41%	36.42%	39.64%
Construction Finance	11.33%	11.62%	5.19%	3.34%
Loan Book	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Our top 20 exposures as at December 31, 2023 aggregated to ₹ 5,216.55 million amounting to 17.66% of our total Loan Book, and as at March 31, 2023 aggregated to ₹ 6,353.63 million amounting to 19.99% of our total Loan Book.

Reflecting on the past year, the Indian economy has rebounded to pre-Covid levels despite the challenges of inflation and global-political landscape. The travails and insecurities people experienced during the pandemic have helped re-emphasize the fundamental role of home ownership as social security. This is reflected in a healthy pickup in housing demand. Increasing interest rates have also not been able to dampen the momentum in this category. We have focused on building resilience against volatility and disruptions, echoing the country's economic endurance. Our loan portfolio has grown steadily, and the portfolio quality has improved significantly over the last fiscal year.

A. Home Loans

Home loans are majorly offered to salaried individuals, self-employed individuals, and professionals. The home loans are generally provided for purchase of existing property, purchase of plot for construction thereon, self-construction of new property and extension or renovation of existing residential property. The loans are secured by the mortgage of the property/house for which the loan is provided. The contractual tenure of the loans generally ranges up to 20 years.

B. Other Non-Housing Loans including Loan against Property ("LAP")

LAP is a loan facility majorly offered to self-employed individuals, against an unencumbered property, where the end use may be towards deployment of working capital, purchase of property or any other purpose. As a part of LAP, lease rental discounting is also offered where the lessee is a corporate entity. The contractual tenure of the loans generally ranges up to 15 years based on specific products.

C. Construction Finance

Construction finance is a loan facility offered to real estate developers towards the cost of the construction of residential project. The financing is usually against real estate collateral along with other collateral (if required). The loan disbursements are construction linked. The contractual tenure of the loans generally ranges up to 5 years. We launched financing builders for construction of residential projects in Q4FY16 with a modest beginning. While the portfolio grew in the initial periods, subsequent headwinds faced by the construction industry exacerbated by liquidity crisis for NBFCs/HFCs, resulted in its decline. However, with the construction industry prospects improving in the last quarter or two, we are again re-looking at scaling up this product subject to adhering to all the necessary covenants of risk management.

As per RBI circular no. RBI/2020-21/73 dated February 17, 2021 on Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions 2021, para 4.1.16 (k) and 4.1.17, definition of "Housing Finance" includes lending to builders for construction of residential dwelling units. Hence, if we are able to scale up this product in future, it may also help us in meeting specified criteria as per the above referred RBI circular on future timelines. However, no assurance can be given at this stage that we will indeed be able to scale up lending under this product.

Nido Home Finance provides Construction Finance loans for funding developers involved in residential or commercial construction projects. These loans are provided to fund construction at a stage when all permissions have been received and land acquisition is complete. The contractual tenure of the loans generally ranges up to 5 years and is disbursed in tranches as per the project stage.

While we initially launched our mortgage business including home loans and LAP in major metropolitan areas/ tier 1 cities, our focus is now on building the small ticket or affordable home loans. We focus on home loans through developer tie-ups and participating in affordable housing programs. With our increased eligibility to obtain refinance from the National Housing Board at a reduced borrowing cost, we seek to grow this business with increasing profitability. Additionally, once the Retail Mortgages book achieved the desired level of seasoning, we have been able to initiate securitisation of home loans as a part of our strategy for mobilisation of resources from alternate sources to free up equity capital for further growth as well as to optimise the yields on such loans. The loan to value ratio in our home loans and LAP portfolio remained at a comfortable level.

CREDIT PROCESSES

A. Customer Evaluation, Credit Appraisal and Disbursement

Our Product Policy

All loans are sanctioned under the credit risk (product) policy approved by our internal risk management committee. Emphasis is applied on demonstrated past and future assessment of income, repayment capacity, credit history and nature and value of the collateral offered prior to approving any loan. We undertake periodic update of credit policies based on regulatory changes, portfolio performance and development.

Loan Origination

We source all potential customers through Direct Sales Agents (DSAs), Direct Sales Teams (DSTs) or through our experienced and well-trained sourcing teams or internal channels sourcing. The channel partners undergo a detailed evaluation process covering their experience, past performance, market standing and distribution business model before empanelment with us.

B. Loan Management Technology Platform

Our Company uses the Digital Lending Platform (DLP) as the Loan Origination System (LOS) for customer onboarding. DLP has been developed in-house over one of the world leaders - Low Code Development Platform – Outsystems. DLP has been awarded the "*Best Innovation Product in APAC region, in FinTech Digital Transformation*" category (chosen out of 100+'Banks & 'BFC's in Asia).

Post loan disbursement the loan lifecycle management is through our Loan Management System which we recently upgraded to FinnOneNeo.

Evaluation and Approval

We undertake various credit control checks and due diligence on a prospective customer which inter-alia includes an internal data de-duplication check, credit bureau check, fraud verification, asset verification and valuation, and other legal and technical verification procedures. After having completed our internal verification procedures all documents submitted by the prospective customer are checked and verified as required.

All applications once logged into our system are evaluated on various parameters. Based on the demographic, financial and business information provided, internal and external checks are performed by the system automatically which includes not limited to de-duplication with the existing database to find possible matches with the existing customer list, automated generation of credit bureau reports to check customers' past credit history with all lenders, contact point verification, valuation of the collateral, legal and technical evaluation of proposed collaterals by empaneled agencies. Similar due diligence is also carried out in respect of guarantors, if any.

We conduct various diligence procedures in connection with the collateral/ security for such loans which include review and verification of the relevant ownership documents and obtain title reports as applicable. Reports from these checks along with detailed analysis of financial statements, tax challans, bank statements and other documents put together constitute the credit file for all customers. These files are reviewed by the credit managers for evaluation. Based on the document review the credit managers conduct personal discussions with the customers at their workplace. The discussion is intended to gather information about the business model of the customer, his positioning in the value chain, dependence of suppliers and/or customers and to ascertain any business risks like export dependence, raw-material supplies, etc. which might adversely impact the business cash flows and hence diminish repayment capacity.

Based on all the information gathered, and assessment of customer's business risks, debt servicing ability and collateral risks, the credit manager puts the transaction proposal to appropriate approving authority in the hierarchy for decision**.**

We believe our business processes ensure complete independence of functions and a segregation of responsibilities. We believe our credit appraisal and credit control processes, centralised operations unit, independent audit unit for checking compliance with the prescribed policies and approving loans at transaction level as well as our risk management processes and policies allow layers of multiple checks and verifications. These legal and technical verifications include collateral valuation, title search, document verification, fraud and KYC verifications, personal meetings with clients and audit before the disbursement of loans. Furthermore, our processes have been standardised with the objective of providing high quality of service and ensuring efficiency. This is achieved by facilitating the integration of our workforce, processes, and technology. Our key business processes are regularly monitored by the respective business or operations head. Our loan approval and administration procedures, collection and enforcement procedures are designed to minimise delinquencies and maximise recoveries.

We believe that we have the necessary internal controls and risk management systems to assess and monitor risks across various lines. The risk management systems function through an independent department concerning accounts and operations and a dedicated centralised risk management team. We seek to monitor and control risk exposure through a variety of separate but complementary financial, credit and operational reporting systems.

Credit Appraisal

Our basic credit appraisal process broadly follows the following flow chart:

Approval and Disbursement Process

Once the credit history, credentials, information, and documents have been submitted by the prospective customer and verified to our satisfaction, the applications are approved at the appropriate credit approval level. There are various levels of approvals which a proposal can be put to which are based on loan product, loan amount and identified risks.

With due sanctioning of the loan, we execute agreements in connection with the loan and creation of security in relation thereto, if any, with the customer. The disbursing officer retains evidence of the applicant's acceptance of the terms and conditions of the loan as part of the loan documentation.

Prior to the loan disbursement, our concerned officer ensures that a Know Your Customer, ("**KYC**"), checklist is completed by the applicant. The concerned officer verifies such information provided and includes the records in the relevant loan file. The officer is also required to ensure that the contents of the loan documents are explained in detail to the customer either in English or in the local language of the customer and a statement to such effect is included as part of the loan documentation. The customer is provided with a copy of the loan documents executed by him.

Loan administration and monitoring

The customer (and guarantor, if any) execute(s) the security creation documents and the loan agreement setting out the terms of the loan. A loan repayment schedule is attached as a schedule to the loan agreement, which generally sets out periodical repayment terms. Repayments are made in EMIs. Loans disbursed are recovered from the customer in accordance with the loan terms and conditions agreed with the customer. We track loan repayment schedules of our customers on a monthly basis, based on the outstanding number of EMIs due and defaults committed, if any. This data is analyzed based on the loans disbursed and location of the customer. Majority of recovery of amounts due on loans is managed internally by us. Our feet-on-street officials ensure complete focus on all stages of the collections process along with recovery agencies in a few strategic locations. Our employees reviews collections regularly and personally contact customers that have defaulted on their loan payments.

Our employees are assisted by collection executives as well as recovery agencies, who are also responsible for the collection of installments from each customer serviced by them. We believe that close monitoring of debt servicing efficiency enables us to maintain high recovery ratios and maintain satisfactory asset quality.

Portfolio Management, Collection and Recovery Processes

We manage the portfolio management and collection processes, in-house. We have five teams to manage timely collection of dues. We have also deployed a call centre for reaching out to customers for awareness calling before presentation of E-NACH for EMI collection and then follow up with customers who did not with customers who did not clear the dues through bank, for payment of dues. We utilise our sales personnel for collection of early delinquent accounts, if any, which are up to 18 months in the system.

We have collection officers based out of branches managed by Collection Managers and Regional Collection Managers for flow buckets.

In strategic locations, we have deployed recovery agencies which are managed by the regional collection managers. And we have a recovery team which manages resolution of NPA accounts in coordination with legal and collection teams. Recovery team will use all available legal tools like SARFAESI, arbitration, Sec 138 and other relevant notices to get the NPA either normalised or closed.

Co-Lending

Our Company is currently focusing on the co-lending model with partners on home loans, loan against property and construction finance business as well. We (our Company and partners) have arrived at common products, policies and risk mitigants with a target customer segment. There is sharing or risk and reward, and partners are aligned on all loan exposures. With the revised RBI circular on co-lending, our Company will be able to leverage its reach and customer acquisition (including on boarding and customer servicing) and rely on partners' balance sheet for granting the exposure. Our Company currently has five (5) tie ups across home loan and loan against property with four (4) banks under the co-lending arrangement.

C. Marketing

We source our potential customers through pre-approved channel partners. The channel partners undergo a detailed evaluation process covering their experience, past performance, market standing and distribution business model before empanelment with us. Further there is also cross selling of loan products to clients having an existing relationship with other lines of business of Edelweiss group. We monitor their performance periodically for adherence to processes prescribed for them for customer sourcing.

Our Business Approach

Over the years, our approach to business has been characterized by its dynamic nature by fervently embracing an array of cutting-edge practices, fostering innovation and adaptability. We have fastidiously upheld the standard of origination, ensuring unparallel quality, with a steadfast commitment to placing customer service at the core of our modus operandi.

We procure prospective customers through our proficient and extensively trained sourcing teams or pre-approved channel partners. Before forging any alliance, our channel partners undergo a stringent and exhaustive evaluation process that holistically scrutinizes their expertise, proven track record, market reputation, and distribution business model. Furthermore, we actively seize occasions to cross-promote loan products to clients who already maintain a rapport with other distinguished divisions of the Edelweiss group. In our resolute commitment to excellence, we consistently engage in meticulous performance monitoring to guarantee unswerving compliance with the intricately delineated customer sourcing protocols. Over the course of our evolution, a paramount query we have encountered pertains to cultivating a resilient enterprise. With a relentless commitment to constructing an enduring and superior business throughout the past decade, we have arrived at the realization that establishing a successful venture necessitates astute management of four pivotal vectors:

- **Cost** - Our approach to cost management not only transcends to mere cost reduction; it also revolves around deftly orchestrating expenditures to maintain a requisite equilibrium between present outlays and future investments. We are resolute in pursuing strategic investments that foster the growth and scalability of our credit business, seizing favorable opportunities and fueling our expansion endeavors.

- **People -** We hold a profound conviction that our personnel is indispensable to realizing our com’any's mission, recognizing that human capital is the defining element that distinguishes good companies from exceptional ones. We consider ourselves immensely fortunate to collaborate with individuals who transcend the role of valuable assets, propelling our business and enterprise functions forward. Moreover, their remarkable prowess extends beyond their immediate spheres, adeptly perpetuating our indomitable emphasis on influential people management within their own leadership teams.

- **Risk -** The adept management of risk and judicious navigation lies at the heart of our mission, serving as an intrinsic cornerstone for our business’ steady growth and prosperity. From our very inception, we have cultivated a steadfast focus on risk management, infusing it into the very fabric of our organizational culture. Through this firm commitment, we have fostered a culture wherein everyone assumes personal accountability as the foremost defense against potential risks, ensuring an enduring shield against adverse contingencies.

- **Customers -** The customer experience is a pivotal catalyst for the sustained expansion of our business in the long run. The inexorable march of digitalization and the seamless accessibility customers enjoy to our diverse product offerings have further heightened the significance of our brand-building endeavors. To underscore our tenacious commitment to our valued clientele, we have augmented our customer-centric focus by integrating three new guiding principles into our original repertoire of ten, each scrupulously tailored to elevate the customer experience.

We constantly empower our management with these four pivotal vectors bolstered by an unparalleled technological permeation permeating every facet of our business operations.

D. Capital Adequacy

We are subject to capital adequacy ratio (“**CAR**”) requirements prescribed by NHB. We are required to maintain a minimum CAR of 14% on or before March 31, 2021, 15% on or before March 31, 2022 and 15% on or before March 31, 2023 As part of our governance policy, we maintain capital adequacy higher than the statutorily prescribed CRAR. The following table sets out our capital adequacy ratios computed on the basis of applicable NHB requirements as at the dates indicated:

Particulars as on	As at December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021

CAR prescribed by NHB %	15.00	15.00	15.00	14.00
CET1 Capital ratio %	34.84	32.06	28.28	26.49
CET2 Capital ratio %	0.00	0.00	0.00	0.00
Total Capital Ratio as per Ind AS %	**34.84**	**32.06**	**28.28**	**26.49**

**15% to be maintained on or before March 31, 2023.*

Asset Quality

We believe we follow risk management policies to ensure that the asset quality of our credit book remains comfortable. The NPA details are as under:

(₹ in million)

Particulars	As at			
	December 31, 2023	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
Loan Book	29,541.21	30,692.05	31,448.72	36,453.58
Gross NPLs	660.70	587.53	627.30	1,275.82
Gross NPLs %*	2.24	1.91	1.99	3.50
Provision Held for Non-Performing Loans	184.08	138.63	167.78	131.73
Net NPLs**	476.62	448.83	459.52	1,144.05
Net NPLs %***	1.61	1.46	1.46	3.15
NPL Provision Cover %****	27.86	23.60	26.75	10.33
Standard Asset Provision Held	193.40	283.37	316.54	363.25

**Gross NPL % = Gross NPL / Loan Book*
***Net NPLs = Gross NPLs (-) provision held for non-performing loan*
****Net NPLs % – Gross N–Ls - provision held for non-performing loan) / Loan Book*
*****NPL provision cover = Provision held for non-performing loan / Gross NPLs*

Movements of NPAs (Stage III loans)

(₹ in million)

	Particular	As at			
		December 31, 2023	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
i)	**Movement of Gross NPAs**				
	a) Opening balance	587.53	627.30	1,275.78	760.57
	b) Additions during the year	385.68	994.93	1,839.97	2,330.88
	c) Reductions during the year	(312.51)	(1034.70)	(2,488.45)	(1,815.67)
	d) Closing balance	660.70	587.53	627.30	1,275.78
ii)	**Movement of net NPAs**				
	a) Opening balance	448.83	459.52	1,144.05	649.99
	b) Additions during the year	309.68	789.72	1,377.74	2,045.97
	c) Reductions during the year	(281.88)	(800.41)	(2,062.27)	(1,551.91)
	d) Closing balance	476.62	448.83	459.52	1,144.05

Concentration of NPAs (Stage III loans)

(₹ in million)

Particular	As at			
	December 31, 2023	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
Gross NPA (Stage-III)	660.70	587.53	627.30	1,275.78
Net NPA (Stage-III)	476.62	448.83	459.52	1,144.05
Total exposures to top ten NPAs	166.00	158.29	134.22	197.87

Funding Sources

We raise funds from diversified sources and through a wide range of instruments in order to reduce our funding cost and to have a diversified lender base. Our funding requirements are predominantly sourced through credit facilities from banks, NHB and the issuance of redeemable non-convertible debentures on a private placement basis/through public issuance. Access to low cost borrowings under the NHB refinance window helps us reduce our cost of borrowings. This helps us to raise resources at the most competitive rates, protect interest margins and maintain a diversified funding portfolio that enable us to achieve funding stability and liquidity.

Borrowings

We have, over the period of last few years, accessed funds from multiple classes of credit providers, including nationalised banks, private Indian banks and NHB. We believe that we have developed stable long-term relationships with our lenders and established a track record of the timely servicing of our debts. Our Total Borrowings were ₹ 16,426.46 million and ₹ 18,403.37 million as at December 31, 2023 and April 5, 2024.

For further details, please refer to the sections titled *"Financial Statements"* and *"Financial Indebtedness"* on pages 146 and 148.

Credit Rating

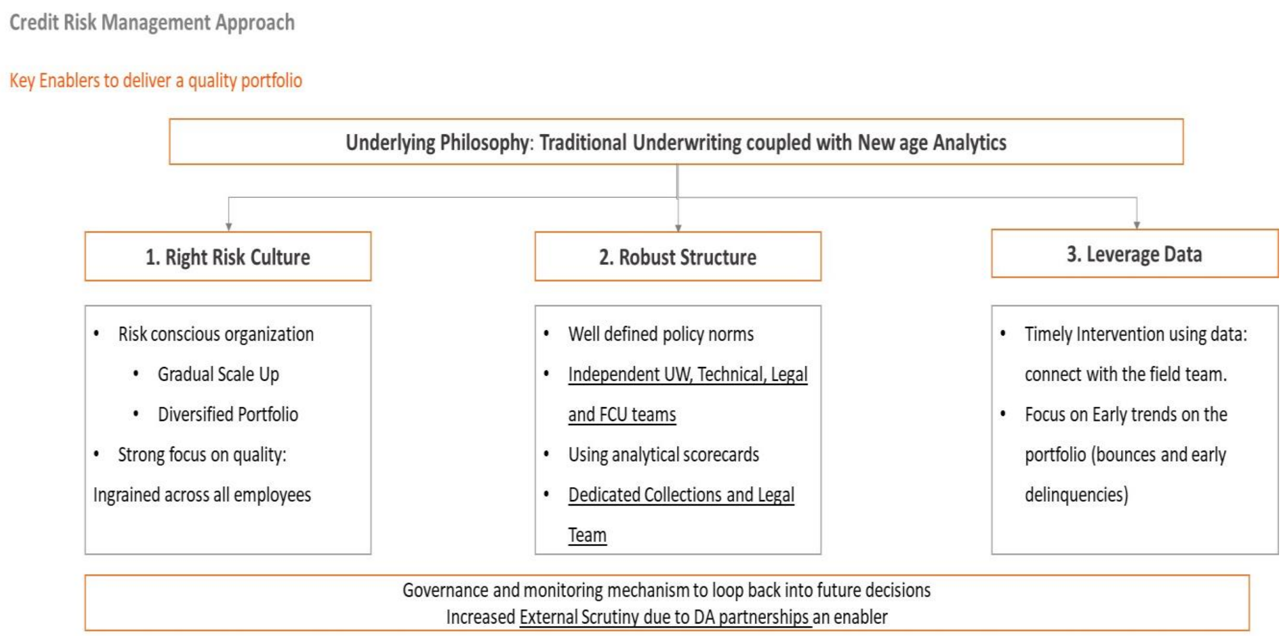
Details of credit ratings of our Company current as on the date of this Draft Prospectus are as under:

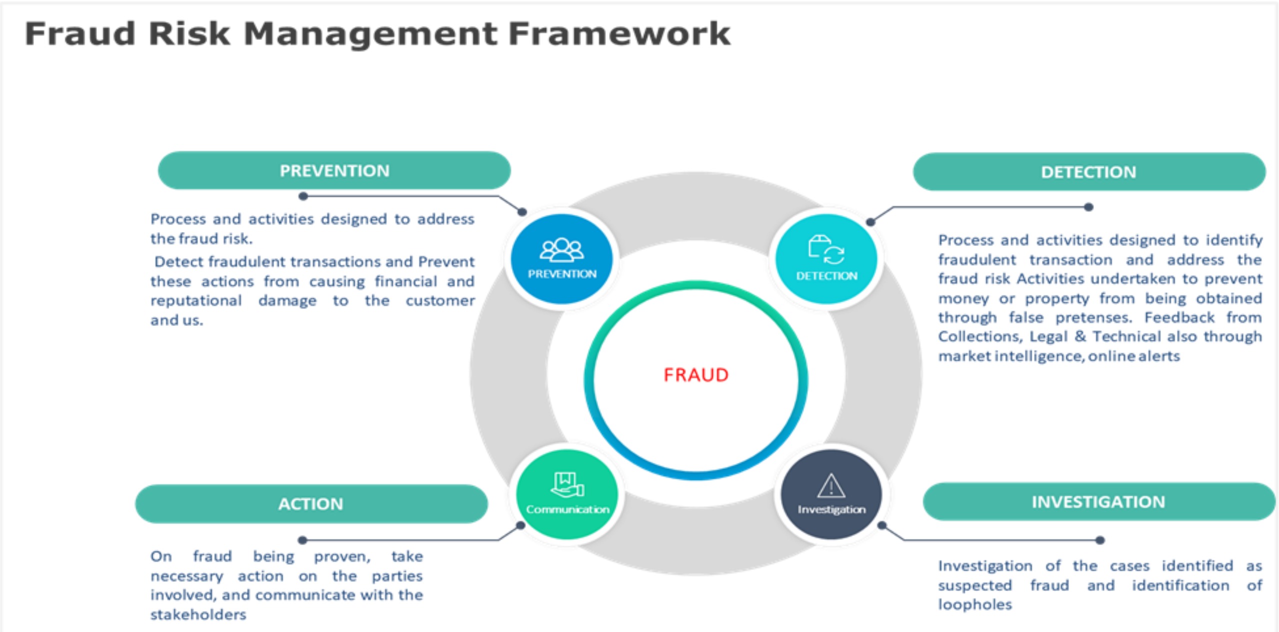
Credit Rating Agency	Instruments	Ratings/Outlook
ACUITE	Long Term – NCDs	ACUITE A+/Stable
BWR	Long Term – NCDs	BWR AA-/Negative
BWR	Perpetual Debt	BWR A+/Negative
CARE	Bank Lines	CARE A/Stable
CARE	Long Term – Subordinated Debt	CARE A/Stable
CARE	Long Term – NCDs	CARE A/Stable
CARE	Short-term – Commercial Paper	CARE A1
CRISIL	Bank Loan facilities	CRISIL A+/Stable
CRISIL	Long Term – NCDs	CRISIL A+/Stable
CRISIL	Short-term – Commercial Paper	CRISIL A1+
ICRA	Bank Lines	ICRA A+ placed on rating watch with negative implications
ICRA	Long Term – Subordinated Debt	ICRA A+ placed on rating watch with negative implications
ICRA	Long Term – NCDs	ICRA A+ placed on rating watch with negative implications

Risk Management

We have a well-defined risk management policy framework for risk identification, assessment, and control to effectively manage risks associated with the various business activities. The risk function is mainly looked after by the Business Risk Group embedded in the business, that is responsible for managing the risk arising out of various business activities at a central level.

Risk Management function at our Company is illustrated in the following charts:





Asset and Liability Management Committee ("ALCO")

We require sizeable working capital and hence day-to-day liquidity management becomes a critical function. In addition, as our Home Loan and LAP book scales up, the asset side duration lengthens requiring greater attention to management of liabilities. Our ALCO was constituted on November 2, 2010 and four senior management members of our Company or Edelweiss group are its current members. Our ALCO usually meets once in a quarter or as and when necessitated by internal or external developments. The ALM statement of our Company is prepared on a monthly basis to track the inflows and outflows in the relevant buckets. The ALM statement is placed before our Asset Liability Management Committee (ALCO) on a periodical basis. Since our Company has a mixed lending portfolio comprising of short term and long term loans, efforts are made to match the maturity of liabilities with those of the assets and minimize the ALM mismatch.

Brief terms of reference of ALCO:

- Review of macro-economic scenario, impact of industry and regulatory changes
- Formulating ALM Policy and monitoring the asset liability gap
- Strategizing action to mitigate liquidity and other risks associated with the asset liability gap.

- Articulating and monitoring liquidity risk tolerance that is appropriate for its business strategy.
- Ensure that credit exposure to any one group does not exceed the internally set limits as well as statutory limits set by RBI.
- Decide the strategy on the source, tenor and mix of assets & liabilities, in line with its business plans.
- Review stress test scenarios including the assumptions and results.
- Analyse and manage interest rate risk, liquidity risk, capital allocation, liquidity cost, off balance sheet exposures, contingent liabilities, management of collateral position and intra-group transfers.

For further details, please refer "*Our Management – Details of various Committees of the Board – Asset Liability Management Committee*" on page 124.

Treasury Operations

Our treasury operations are mainly focused on managing our funding requirements as well as judiciously deploying temporary surplus funds. We believe that through our treasury operations we are able to deploy temporary surplus funds into liquid mutual funds, money market instruments and other instruments and maintain our ability to repay borrowings as they mature. Our treasury undertakes liquidity management by seeking to maintain an optimum level of liquidity and complying with the NHB requirements of asset liability management. The objective is to ensure smooth functioning of all operations and at the same time avoid the holding of excessive cash. Our investments, if any, are made in accordance with the investment policy approved by the Board.

Awards

Our company has been recognised and awarded as under:

1. Best Affordable Housing Finance Company of The Year (Mortgages) CMO Asia BFSI Excellence Award – September 2019
2. Affordable Housing Finance Company of the Year (Edelweiss Housing Finance) – ABP News BFSI Awards 2018
3. Fastest Growing Housing Finance Company at the Golden Globe Tiger Awards 2018
4. Best Risk Management Initiative HFC of the Year – India NBFC Summit and Awards, 2022
5. Best Data Analytics HFC of the Year – India NBFC Summit and Awards, 2022
6. Best Risk Management Housing Finance Company of the Year – World BFSI Congress and Awards in 2023
7. Best Data Science Housing Finance Company of the Year – World BFSI Congress and Awards in 2023
8. Excellence in Data Analytics (Housing Finance Sector) – National Awards for Excellence 2023
9. Excellence in Risk Management (Housing Finance Sector) – National Awards for Excellence 2023
10. 'Best Data Analytics Housing Finance Company of the Year' – by BFSI Innovation Confex & Awards 2024
11. 'Best Risk management Housing Finance Company of the Year' – by BFSI Innovation Confex & Awards 2024

Employees

We believe that our human capital is one of our most important strengths and is the driver of growth, efficiency and productivity and thus invest in developing our talent and leadership through various initiatives. As at March 31, 2024 our company had 646 employees.

We have launched initiatives aimed at strengthening the ability of our managers to bring together people, strategies, and execution to drive business results. We also have a Leadership Program with the objective of multiplying leadership capability, growing internal leaders and providing for seamless execution of organization's growth target in future. The three tiered Edelweiss Leadership Pool (ELP) at the centralized level in the Edelweiss Group, consisting of about 3 to 4% of the organisation employee base, comprises of Management Committee members, Senior Leaders (SL) and Business Leaders (BL) each of whom undergo a structured Engagement, Communication and Development (ECD) programme in the span of their membership period. A number of our employees form a part of these groups.

Customer Centricity

The customer is the main reason for the growth of a services oriented company, like that of ours. While most companies would believe that they are customer oriented, the degree of focus on customers' experience and the centricity that customers enjoyed in their approach varies.

As we increase our concentration on the retail function of our business, we believe that customer centricity is going to be the key driver of our business.

At Nido, Customer Experience (CX) is regarded as a key pillar of business success in true spirit. With this motto in sight, we have continued to build a culture of customer-centric business. To drive this agenda, we have also implemented various measures including digital upgrade. Through these efforts, we are responding to evolving customer needs, and institutionalizing these processes across the organisation, to ensure a superlative experience for all our customers, throughout the value chain.

Corporate Social Responsibility

Nido's Corporate Social Responsibilities are carried out through EdelGive Foundation which is the philanthropic arm of the Edelweiss group. Edelgive undertakes CSR activities in a centralized manner for Edelweiss Group. EdelGive's mission is to leverage its resources with a view to empowering social entrepreneurs and organisations towards achieving systemic change. Through the EdelGive Foundation, the Edelweiss Group including us, financially support worthy non-profits and social entrepreneurs, plan, review and manage our portfolio of non-profits and social entrepreneurs. Equip philanthropists with investment advice customized for the non-profit sector, analyze outcomes of philanthropic investments, and monitor both individual programme milestones as well as their broader social impact.

EdelGive follows a research-based approach while sourcing credible non-profits. Investment decisions are based on thorough due diligence of target beneficiary needs, aspects of sustainability and programme impact analysis. EdelGive's objective is to select the best grantees as well as focusing on organizations that are addressing the most urgent and overlooked problems. EdelGive also attempts to signal other funders by taking the additional step of educating and attracting donors, especially those lacking expertise in the area, thus effectively improving or magnifying the return on a larger pool of philanthropic resources. EdelGive also endeavours to improve the performance of grant recipients by moving from the role of capital provider to fully engaged partner, thereby improving the grantee's effectiveness as an organization.

In 2023, EdelGive received the Navabharat CSR Award 2023 for 'Excellence in CSR' presented by the Governor of Maharashtra, Shri Ramesh Bias, in the presence of the Deputy Chief Minister of Maharashtra, Shri Dev Fadnavis, and other dignitaries, at Raj Bhavan.

Outsourcing

We enter into outsourcing arrangements for non-essential functions with third party vendors for a number of our product lines and services required by us. These vendors provide services, which include, among others, software services, client sourcing, and collection services. We conduct due diligence before finalising such outsourcing arrangements. We adhere to outsourcing guidelines prescribed by various regulators.

Competition

Our competitors include a large number of established Indian and foreign commercial banks, NBFCs, HFCs, small finance banks and microfinance companies. In particular, many of our competitors may have operational advantages in terms of access to cost-effective sources of funding and in implementing new technologies and rationalising related operational costs. Though housing finance companies are regulated by RBI and NHB, the entry barriers to the industry are not high with the result that the industry landscape is extremely competitive.

Insurance Coverage

We maintain a number of insurance policies to cover the different risks involved in the operation of our business. We maintain a directors' and officers' liability policy to cover certain liabilities that may be imposed on our directors and officers. We believe that our insurance coverage is appropriate and adequate for our operations. We have insurance policies covering, among others, electronic equipment, burglary, standard fire and special peril and machinery breakdown, and comprehensive general liability insurance. Some of these policies are taken at group level covering our and other group companies.

Property

As at March 31, 2024, we had 67 domestic offices in around 67 cities which are on lease. Our company does not own any premises.

Intellectual Property

Our Company is using the following trademarks/ logos pursuant to a trademark~~s~~ registration application filed under the Trademarks Act, 1999 by way of applications, each dated June 23, 2023. These applications have been acknowledged by the Trademarks Registry and are currently pending registration.

Sr. No.	Trademark	Class	Valid Upto
1.	nido HOME FINANCE	36	-
2.	nido HOME FINANCE	36	-

HISTORY AND MAIN OBJECTS

Brief background of our Company

Our Company was originally incorporated on May 30, 2008, as a public limited company under the provisions of the Companies Act, 1956 as Edelweiss Housing Finance Limited and received a certificate of incorporation dated May 30, 2008, and a certificate of commencement of business on June 12, 2008. The Corporate Identification Number of our Company is U65922MH2008PLC182906.

Our Company has obtained a Certificate of Registration dated May 19, 2023, bearing registration no. DOR – 00081 issued by the RBI, to commence/carry on the business of a housing finance institution without accepting public deposits subject to the conditions mentioned in the certificate of registration under Section 29A of the National Housing Bank Act, 1987.

The name of our Company was changed to '*Nido Home Finance Limited*' pursuant to a fresh certificate of incorporation dated May 4, 2023, issued by the RoC.

Our Company does not have any subsidiary company, joint venture or associate as on the date of this Draft Prospectus.

Change in Registered Office of our Company

Changes to the registered office of our Company are as follows-

Original Address	Updated Address	Date of Change in Registered Office
14th Floor, Express Towers, Nariman Point, Mumbai 400021	Edelweiss House, Off C.S.T. Road, Kalina, Mumbai 400098	April 15, 2011
Edelweiss House, Off C.S.T. Road, Kalina, Mumbai 400098	Tower 3, 5th Floor, Wing B, Kohinoor City Mall Kohinoor City, Kirol Road, Kurla (West) Mumbai 400070	January 28, 2022

Main Objects of our Company

The main objects of our Company as contained in our Memorandum of Association are:

1. To provide financial assistance, with or without interest, (with or without security) for any maturity, in any form whatsoever, to any person or persons (whether individuals, firms, companies, bodies corporate, public body or authority, supreme, local or otherwise or other entities), whether in the private or public sector, to purchase or acquire houses, buildings, offices, godown, warehouses, flats or to purchase any freehold or leasehold or any lands, estate or interest in or to take a demise for any term or terms of years of any land and property or to construct, erect, improve, extend, alter, renovate, develop or repair any house or building or any form of real estate or any part or portion thereof or by means of leasing, giving on hire or hire-purchase, lending, selling, reselling, or otherwise disposing of all forms of immovable and movable properties and assets of any kind, nature of user, whatsoever and for the purpose, purchasing or otherwise acquiring dominion over the same, whether new or used and whether engaged in the construction of residential houses, flats, for the purpose of construction of such residential houses, flats, including the acquisition and development of lands for the construction of such houses or flats and to private or public sectors engaged in the manufacture of building materials as well as construction equipment and machinery.

2. To solicit and procure insurance business as Corporate Agent and to undertake such other activities as are incidental or ancillary thereto.

Key terms of Material Agreements and Material Contracts

Our Company has not entered into any agreements and contracts which are not in the ordinary course of business, in the last two fiscals.

Details of any acquisition or amalgamation in the last one year

Our Company has not made any acquisition or amalgamation in the last one year prior to filing of this Draft Prospectus.

OUR MANAGEMENT

Board of Directors

The general superintendence, direction and management of our affairs and business are vested in our Board of Directors. The Articles of Association sets out that the number of Directors in our Company shall be not less than three and not more than twelve.

As of the date of this Draft Prospectus, we have six Directors on the Board, out of which one Director is Managing Director and CEO, two Directors are Non-Executive Directors and three Directors are Independent Directors. Our Company has one woman director on the Board.

Details of Board of Directors as on the date of this Draft Prospectus:

Name, designation, and DIN (in alphabetic order)	Age (in years)	Address	Date of Appointment	Other directorships
Biswamohan Mahapatra Designation: Independent Director DIN: 06990345	69	Flat No. 502, Floor. 5, Wing M1, Riddhi Gardens M1 Riddhi Gardens CHSL, Gen. A.K Vaidya Marg, Malad (E), Mumbai – 400 097	29 October 2020	**Indian Companies:** • ECL Finance Limited • CSB Bank Limited **Foreign Companies:** NIL
Deepak Mittal Designation: Non-Executive Director DIN: 00010337	50	1103, Tower - B, Ashok Towers, Dr. SS Rao Road, Parel, Opp. Gandhi Hospital, Mumbai 400012	14 October 2019	**Indian Companies:** • Edelgive Foundation • Edelweiss Tokio Life Insurance Company Limited **Foreign Companies:** NIL
Gautam Chatterjee Designation: Independent Director DIN: 02464197	68	C-602 Amaltas CHSL, Juhu Versova link road, Above HDFC Bank, Andheri west, Mumbai Azad Nagar, Mumbai 400053	16 September 2021	**Indian Companies:** • IRCLASS Systems and Solutions Private Limited • Centre Of Excellence in Maritime & Shipbuilding (CEMS) • Indian Register of Shipping **Foreign Companies:** NIL
Rajat Avasthi Designation: Managing Director and CEO DIN: 07969623	50	1704 A-Wing, Rustomjee Seasons Madhusudan Kalelkar Marg, Gandhi Nagar BKC Bandra East, Mumbai – 400051	23 September 2020	NIL
Shama Asnani Designation: Non-Executive Director DIN: 09774021	47	Shahani Colony, Navghar Road, Mumbai, Maharashtra 400 081	25 January 2023	**Indian Companies:** • Edelweiss Retail Finance Limited **Foreign Companies:** NIL
Sunil Phatarphekar Designation: Independent Director	60	501/502, Satguru Simran, 5th Floor 3rd Road, Almeida Park, Bandra–(West),	13 April 2020	**Indian Companies:** • Ajit Balakrishnan Estates and Securities Private Limited • Quintrol Technologies Private

Name, designation, and DIN (in alphabetic order)	Age (in years)	Address	Date of Appointment	Other directorships
DIN: 00005164		Mumbai – 400050		Limited • Ajit Balakrishnan Foundation • SNP Legal (Advocates) (Proprietor) • Bombay Gymkhana Limited (Ordinary Member) • Royal Bombay Yacht Club Limited (Ordinary Member) • Edelweiss Retail Finance Limited • Edelweiss Alternative Asset Advisors Limited • Edel Finance Company Limited **Foreign Companies:** NIL

Brief profile of the Directors of our Company

Deepak Mittal

Deepak Mittal has more than two decades of experience in financial services. He heads the credit business of the group. He is presently the Vice Chairman of ECL Finance Limited. He has played several key roles at Edelweiss, one of the most recent being the CEO of Edelweiss Tokio Life Insurance Company Limited, a joint venture between Edelweiss Financial Services Limited and Tokio Marine Holdings of Japan. Prior to leading the Life Insurance business, he helped scale up the Capital Markets business at Edelweiss Financial Services Limited. He subsequently became the Chief Financial Officer of EFSL, where he helped steer the firm through a successful Initial Public Offering in 2007. He also led the group's new strategic initiatives and played a key role in the expansion of various Group businesses, including the acquisition and integration of Anagram Stock Broking. He is a Chemical Engineer from IIT-BHU and an MBA from the IIM Ahmedabad.

Sunil Phatarphekar

Sunil Phatarphekar is the proprietor of SNP Legal (Advocates) and has over 30 years of experience as a practicing Advocate. He started his career in 1987. He has subsequently been associated with various law firms including Crawford Bayley & Company, Mahimtura & Company and Shah Desai Doijode & Phatarphekar, Advocates. Sunil Phatarphekar also practices in the corporate field with specialization in commercial contracts and new technologies. Sunil Phatarphekar also serves as a Non-Executive director on the Board of various companies.

Rajat Avasthi

Rajat Avasthi is an MBA from University Business School, Chandigarh and has graduated in Bsc. from Punjab University, Chandigarh. Rajat Avasthi has over 25 years of experience across multiple industries. He started his career with Asian Paints, where he worked for 18 years with roles in sales, corporate marketing & strategy. He also worked on building a market entry strategy for Asian Paint's entry into Indonesia. Prior to joining Edelweiss group, he was associated with Vodafone as the Business Head of their business in Punjab, Himachal Pradesh and Jammu & Kashmir. Prior to that he was head of sales and marketing for Mumbai, their biggest market.

Biswamohan Mahapatra

Biswamohan Mahapatra is an Independent Director on our Board. He holds a Master's degree of science in management from Arthur D. Little Management Education Institute, Cambridge, Massachusetts, United States of America and a master's degree in business administration from the University of Delhi. His career spans over three decades. He retired as an executive director of the RBI on August 28, 2014. Post retirement, he was an Advisor to the RBI on the new bank licensing process. He has represented RBI at various national and international forums and chaired several RBI committees. He was also the Member Secretary to the Committee set up to introduce a financial holding company structure in India and was also involved in the formulation of Basel II and Basel III regulations. He also serves as an

Independent Director on the boards of various companies and was reappointed as the Non-Executive Chairman of National Payments Corporation of India.

Gautam Chatterjee

Gautam Chatterjee is a retired officer of the Indian Administrative Service of the Maharashtra Cadre belonging to the batch of 1982. He superannuated on January 31, 2016. He has held several important assignments both in the Government of Maharashtra and Government of India, notable among them being Additional Municipal Commissioner of Mumbai Municipal Corporation, Joint Director General of Foreign Trade in the Ministry of Commerce, CEO of Maharashtra Housing and Area Development Authority, CEO of Slum Rehabilitation Authority and Dharavi Redevelopment Project, Principal Secretary of Maharashtra Housing Department, Joint Secretary in the Ministry of Defence, Director General of Shipping in the Ministry of Shipping, Government of India and Additional Chief Secretary, Transport and Ports, Government of Maharashtra. After his superannuation, he served as Officer on Special Duty (OSD) to the Chief Minister of Maharashtra before taking over as the first Chairperson of the Maharashtra Real Estate Regulatory Authority (MahaRERA) where he served till January, 2021.

Shama Asnani

Shama Asnani has graduated with a Bachelor of Arts degree from Mumbai University. She has completed her post-graduation in the Executive Management Programme Indian Institute of Management, Bangalore. She has over 20 years of experience in human resource management, with expertise across verticals such as talent acquisition, performance management, organisation engagement, and training. She is the Chief Human Resource Officer, ECL Finance Limited and is a non-executive director in Edelweiss Retail & Finance Limited. She has worked with firms such as KPMG and Price Waterhouse in the past.

Relationship between Directors

None

Remuneration of Directors

Details of remuneration paid to the Managing Director and CEO for current financial year and last three financial years by our Company:

(₹ in million)

Name of Director	Fiscal 2024	Fiscal 2023	Fiscal 2022
Rajat Avasthi	27.78	24.64	21.66

The terms of remuneration of the Managing Director and CEO are as below:

1. Rajat Avasthi

The following table sets forth terms of remuneration to Rajat Avasthi, Chief Executive Officer ("**CEO**"), with effect from April 1, 2023, as approved by the Board of Directors at their meeting held on June 23, 2023. Further his re-appointment with effect from September 23, 2023 was approved by the Board of Directors at their meeting held on July 25, 2023. Subsequently, the aforesaid revision in remuneration and re-appointment was approved by the members of the Company *vide* their resolution dated August 25, 2023.

For appointment as Managing Director and CEO

Particulars	Remuneration
Salary	Not exceeding ₹ 27.5 million
Bonus	In addition to the salary, performance bonus, up to 100% of salary limit may also be paid and at such intervals as may be decided by the Board of Directors of the Company
Perquisites	In addition to the salary and the performance bonus, Rajat Avasthi shall also be entitled to the prerequisites.

Remuneration of Independent Directors

The Independent Directors are paid remuneration by way of sitting fees and other expenses (travelling, boarding and lodging incurred for attending the Board/Committee meetings). The Non-Executive Directors are not paid any sitting fees.

Our Company pays sitting fees of ₹ 50,000 per meeting to the Independent Directors for attending the meetings of the Board and Committees thereof.

There is no commission paid to any of the Directors.

The following table sets forth all compensation recorded by our Company to the Independent Directors during the current financial year and the last three financial years:

(₹ in million)

Name of Director	Fiscal 2024		For Fiscal 2023		For Fiscal 2022	
	Commission*	Sitting Fees*	Commission*	Sitting Fees*	Commission*	Sitting Fees*
P N Venkatachalam**	-	_	-	-	-	0.14
Sunil Phatarphekar	-	0.9	-	0.42	-	0.28
Biswamohan Mahapatra	-	1.0	-	0.55	-	0.32
Gautam Chatterjee	-	0.9	-	0.46	-	0.08

**Commission pertains to the immediately preceding Fiscal.*
*** P N Venkatachalam ceased to be an independent director of the Company with effect from June 17, 2021*

Other understandings and confirmations

None of our Directors is, director or person in control of any company which was delisted within a period of ten years preceding the date of this Draft Prospectus, in accordance with Chapter V of the SEBI (Delisting of Equity Shares) Regulations, 2021

None of our Directors have been identified as a wilful defaulter by the RBI, any government/regulatory authority and/or by any bank or financial institution. None of our Directors are in default of payment of interest or repayment of principal amount in respect of debt securities issued to the public, for a period of more than six-months.

Borrowing Powers of the Board:

Pursuant to resolution passed by the shareholders of our Company on June 16, 2023 in accordance with provisions of Section 180(1)(c) and all other applicable provisions of the Companies Act and Articles of Association, the Board has been authorized to borrow sums of money as they may deem necessary for the purpose of the business of our Company, which together with the monies already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business), may exceed at any time, the aggregate of the paid-up capital of our Company and its free reserves (that is to say, reserves, not set apart for any specific purposes) by a sum not exceeding ₹ 85,000 million.

Interest of the Directors:

None of the Directors are interested in the promotion of the Company.

All the Directors of our Company, including our Independent Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a Committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them. All the Independent Directors of our Company are entitled to sitting fees for attending every meeting of the Board or a Committee thereof. Managing Director & CEO is interested to the extent of remuneration paid for services rendered, if any, as an officer or employee of our Company.

All the directors of our Company, including independent directors, may also be deemed to be interested to the extent of Equity Shares, if any, held by them or by companies, firms and trusts in which they are interested as directors, partners, members or trustees and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

All our Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective declarations. Except as otherwise stated in this Draft Prospectus and statutory registers maintained by our Company in this regard, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Prospectus in which the directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements which are proposed to be made with them.

As of the date of this Draft Prospectus, our Directors have not taken any loan from our Company. Except as disclosed in the Section "*Related Party Transactions*" on page 128 none of our Directors may be deemed to be interested to the extent of consideration received/paid or any loans or advances provided to anybody corporate, including companies, firms, and trusts, in which they are interested as directors, members, partners or trustees.

None of our Directors are interested in their capacity as a member of any firm or company and no sums have been paid or are proposed to be paid to any Director or to such firm of company in which he is interested, by any person, in cash or shares or otherwise, either to induce them to become, or to help them qualify as a director, or otherwise for services rendered by him or by such firm or company, in connection with the promotion or formation of our Company.

No contribution has been made by the directors as part of the Issue or separately.

None of our Directors' relatives have been appointed to an office or place of profit of our Company, its subsidiaries and Associates.

Except as disclosed hereinabove and the section titled *"Risk Factors"* on page 16, the Directors do not have an interest in any venture that is involved in any activities similar to those conducted by our Company.

Except as stated in the sections titled "*Related Party Transactions*" on page 128 and to the extent of compensation and commission if any, and their shareholding in our Company, our Directors do not have any other interest in our business.

Our Directors have no interest in any immovable property acquired or proposed to be acquired by our Company in the preceding two years of filing this Draft Prospectus with the RoC nor do they have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company. No benefit/interest will accrue to our Promoters/Directors out of the objects of the issue.

Debenture holding of Directors:

As on March 31, 2024, except for Shama Asnani who holds 100 non-convertible debentures of face value ₹ 1,000 each, none of the Directors of our Company hold debentures issued by our Company.

Details of change in Directors of our Company during last three financial years and current financial year:

Name of Director, Designation and DIN	Date of Appointment/ Resignation	Director of our Company since (in case of resignation)	Remarks
P. N. Venkatachalam Designation: Independent Director DIN- 00499442	June 17, 2021	February 25, 2015	Resignation
Gautam Chatterjee Designation: Independent Director DIN- 02464197	September 16, 2021	-	Appointment
Deepak Mundra Designation: Non-Executive Director DIN- 06733120	October 13, 2021	March 2, 2021	Resignation
Shilpa Gattani Designation: Non-Executive Director DIN- 05124763	November 1, 2022	September 23, 2020	Resignation
Phanindranath Kakarla Designation: Non-Executive Director DIN- 02076676	November 1, 2022	March 2, 2021	Resignation

Name of Director, Designation and DIN	Date of Appointment/ Resignation	Director of our Company since (in case of resignation)	Remarks
Shama Asnani Designation: Non-Executive Director DIN: 09774021	January 25, 2023	-	Appointment

Shareholding of Directors, including details of qualification shares held by Directors as on the date of this Draft Prospectus:

As on the date of this Draft Prospectus, the shareholding of our Directors in our Company is as follows:

Sr. No.	Name of the Director, Designation and DIN	No. of Equity Shares of ₹ 10 each	Number of Stock Options	% of total Equity Shares of our Company
1.	**Biswamohan Mahapatra** *Designation*: Independent Director DIN: 06990345	-	-	-
2.	**Deepak Mittal** Designation: Non-Executive Director DIN: 00010337	-	-	-
3.	**Gautam Chatterjee** *Designation*: Independent Director DIN: 02464197	-	-	-
4.	**Rajat Avasthi** *Designation*: Managing Director and CEO DIN: 07969623	-	-	-
5.	**Sunil Phatarphekar** *Designation*: Independent Director DIN: 00005164	-	-	-
6.	**Shama Asnani** Designation: Non-Executive Director DIN: 09774021	-	-	-

***Shareholding of Directors in Subsidiaries and Associate companies, including details of qualification shares held by Directors as on the date of this Draft Prospectus*:**

Not applicable, as our Company doesn’t have any subsidiaries and associates as of the date of this Draft Prospectus.

Key Managerial Personnel of our Company:

Provided below are the details of the Key Managerial Personnel of our Company, other than our Chairman & Managing Director and our Executive Directors, as of the date of this Draft Prospectus.

Company Secretary and Compliance officer (Appointed w.e.f. March 22, 2024)

Archana Nadgouda is Company Secretary and Compliance Officer of the Company. She is an associate member of the Institute of Company Secretaries of India. Prior to joining this company, she was designated as Senior Vice President, Company Secretarial with YES Bank. Shae has also been associated with the Mindspace Business Parks Pvt. Ltd., Asian Energy Services Ltd., among other organisations.

Chief Financial Officer (Appointed w.e.f March 21, 2024)

Kiran Agarwal Todi is Chief Financial Officer of the Company. She is a qualified Chartered Accountant. Prior to joining our Company, she has been associated with organisations Ashv Finance Limited, Deloitte, Home First Finance Company, among others.

As on the date of this Draft Prospectus, all of the Key Managerial Personnel of our Company are the permanent employees of our Company.

Interest of Key Managerial Personnel

Except as stated below, none of our Key Managerial Personnel has been paid any consideration of any nature from our Company:

- Remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business;
- Extent of shareholding in the company or firms and trusts in which they are interested as director, member, partner and/or trustee, and to the extent of benefits arising out of such shareholding.

Except as stated below, Key Managerial Personnel are not interested in the Company**:**

- To the extent of the shareholding in the Company, if any held by them or their relatives or held by the companies, firms and trusts in which they are interested as director, member, partner, and/or trustee, and to the extent of benefits arising out of such shareholding and/ or the stock options granted to some of our key managerial personnel.
- To the extent of to the extent of debentures our Company held by them or to be subscribed by them in this Issue and to the extent of any interest/redemption procees paid/payable to him and other distributions in respect of the said debentures.

Except for the letter of appointment issued to our Key Managerial Personnel as an employee of the Company**,** our Company has not entered into any contracts or arrangement with the Key Managerial Personnel relating to appointment and remuneration or providing for benefits upon termination of employment.

Relationship with other Key Managerial Personnel

None of our Key Managerial Personnel are related to each other.

Shareholding of our Company's key managerial personnel

None of the Key Management Personnel have shareholding in our Company as on the date of this Draft Prospectus.

Senior Management Personnel of our Company

The following people have been identified as the Senior Management Personnel of our Company:

1. Rajat Avasthi, Managing Director & CEO
2. Kiran Agarwal Todi, Chief Financial Officer
3. Archana Nadgouda, Company Secretary
4. Ajeet Lodha, Chief Risk Officer
5. Rohan Charles, Business Head
6. Manisha N Khadye, Legal Head
7. Vikram Kacker, National Credit Head
8. Vivek Agarwal, Chief Operating Officer
9. Umesh Wadhwa, Executive Vice President
10. Vinay Yadav, Chief Compliance Officer
11. Dinesh Singh, Chief Information Security Officer

Interest of Senior Management Personnel

Except as stated below, none of our Senior Management Personnel has been paid any consideration of any nature from our Company:

- Remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business;

- Extent of shareholding in the company or firms and trusts in which I am interested as director, member, partner and/or trustee, and to the extent of benefits arising out of such shareholding.

Except as stated below, Senior Management Personnel are not interested in the Company**:**

- To the extent of the shareholding in the Company, if any held by them or their relatives or held by the companies, firms and trusts in which they are interested as director, member, partner, and/or trustee, and to the extent of benefits arising out of such shareholding and/ or the stock options granted to some of our key managerial personnel.
- To the extent of debentures of our Company held by them or to be subscribed by them in this Issue and to the extent of any interest/redemption procees paid/payable to him and other distributions in respect of the said debentures.

Except for the letter of appointment issued to our Senior Management Personnel as an employee of the Company**,** our Company has not entered into any contracts or arrangement with the Senior Management Personnel relating to appointment and remuneration or providing for benefits upon termination of employment.

Relationship with other Senior Management Personnel

None of our Senior Management Personnel are related to each other.

Shareholding of our Company's Senior Management Personnel

As on the date of this Draft Prospectus, none of the SMPs of the Company have a shareholding in our Company.

Corporate Governance

We are in compliance with the requirements in relation to the composition of the Board of Directors and constitution of Committees such as Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee and Risk Management Committee as mandated under the Companies Act, 2013 and the SEBI Listing Regulations.

Details of various Committees of the Board:

*Audit Committee**:***

The Audit Committee was last reconstituted vide a resolution passed by the Board on November 1, 2022. As on the date of this Draft Prospectus, it comprises of:

Name	Designation on Committee	Designation on Board
Biswamohan Mahapatra	Chairperson	Independent Director
Gautam Chatterjee	Member	Independent Director
Sunil Phatarphekar	Member	Independent Director
Deepak Mittal	Member	Non Executive Director

The scope of the Audit Committee includes the references made under Regulation 18 read with part C of Schedule II of SEBI Listing Regulations as well as Section 177 and other applicable provisions of the Companies Act, 2013 besides the other terms that may be referred by the Board of Directors. The broad terms of reference of the Audit Committee are:

a. oversight of financial reporting process and disclosure of financial information of the Company to ensure that the financial statement is correct, sufficient and creditable;
b. recommendation for the appointment, removal, remuneration and terms of appointment of Statutory Auditors and Internal Auditors of the Company;
c. approval of payment to Statutory Auditors for any other services rendered by them;
d. reviewing with the management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval with particular reference to:
e. Matters required to be included in the director's responsibility statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
f. Changes, if any, in accounting policies and practices and reasons for the same;
g. Major accounting entries involving estimates based on the exercise of judgment by management;
h. Significant adjustments made in the financial statements arising out of audit findings;

i. compliance with listing and other legal requirements relating to financial statements;
j. disclosure of any related party transactions;
k. modified opinion (s) in the draft audit report;
l. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
m. review and monitor the auditor's independence and performance, and effectiveness of audit process;
n. reviewing, with management, performance of Statutory and Internal Auditors & adequacy of the internal control systems;
o. Review the Management discussion and analysis of financial condition and results of operations;
p. Consider and take on record the periodic statement/report of Related Party Transactions;
q. grant omnibus approval for Related Party Transactions including any subsequent modifications from time to time;
r. approval or any subsequent modification of transactions of the company with related parties
s. scrutiny of inter-corporate loans and investments;
t. valuation of undertakings or assets of the company, wherever it is necessary;
u. Review Management letters / letters of internal control weaknesses issued by the Statutory Auditors as well as Internal Audit reports relating to internal control weaknesses;
v. evaluation of internal financial controls and risk management systems;
w. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, private placement etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue including Quarterly statement of deviation(s) submitted to stock exchange(s) and annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) and making appropriate recommendations to the board to take up steps in this matter;
x. 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;
y. discussion with Internal Auditors of any significant findings and follow up there on;
z. 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 the Board;
aa. discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
bb. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
cc. reviewing the functioning of the whistle blower/vigil mechanism;
dd. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
ee. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the Subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
ff. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders
gg. To monitor fraud;
hh. Oversee implementation of regulatory policies including Anti Money Laundering and KYC (Know your Customer) Policies;
ii. Ensure that an Information System Audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the NBFCs;
jj. carrying out any other function as is mentioned in the terms of reference of the Audit Committee
kk. Investigate into any matter in relation to the items specified in the relevant section of The Companies Act, 2013 or referred to it by the Board and for this purpose the Committee shall have full access to information contained in the records of the company and external professional advice, if necessary;
ll. review and approve such activities as may be stipulated under various statutes /laws/regulations including amendments thereof from time to time, to be performed by the Committee;
mm. to oversee the implementation of the Compliance Policy and periodic review of the same;
nn. reviewing the report and findings of the compliance risk assessment conducted;
oo. to prescribe the periodicity for review of compliance risk;
pp. advising on compliance related concerns including any compliance breaches, exceptions, etc. and appropriate controls/ mitigation plans for same; and
qq. any other terms of reference as may be specified by the Board from time to time.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was last reconstituted vide a resolution passed by the Board on June 04, 2021. As on the date of this Draft Prospectus, it comprises:

Name	Designation on Committee	Designation on Board
Sunil Phatarphekar	Chairperson	Independent Director
Biswamohan Mahapatra	Member	Independent Director
Deepak Mittal	Member	Non-Executive Director

The scope of activities of the Nomination and Remuneration Committee is as set out in Regulation 19 of SEBI Listing Regulations and as amended read with Section 178 of the Companies Act, 2013. The terms of reference of the Nomination and Remuneration Committee are broadly as follows:

a. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
b. annually review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes;
c. formulation of criteria for evaluation of performance of independent directors and the Board of Directors and whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent director;
d. specify manner for effective evaluation of performance of the Board, its Committees and individual Directors and review its implementation and Compliance;
e. to devise a policy on diversity of Board of Directors;
f. identify the persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, explore their interest and availability for board / senior management service, recommend to the Board their appointment and removal as and when need arise;
g. to ensure ‘fit and proper’ status and credentials of proposed /existing Directors;
h. formulate the criteria for determining the qualifications, positive attributes etc. and independence of a Director;
i. To evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director
j. annually review and recommend the salary, bonus, equity option plan other compensation to the Key Employees (as defined in Shareholders Agreement dated March 5, 2019 executed by and amongst the Company, its Members and CDPQ Private Equity Asia Pte. Ltd.), as well as the quantitative & qualitative objectives for the relevant Financial Year and the Key Performance Indicators (KPI) structure associated with the award of any incentives;
k. make recommendations to the Board regarding:
   i. policy relating to the remuneration for the Directors, Key Employees and other employees
   ii. plans for succession for both executive and non-executive Directors, as well as Key Employees
l. review the performance of Key Employees in case of significant underperformance by the Company w.r.t. expected profitability, net worth, quality of assets, etc. and review the reasons for such under performance and evaluate the performance of Key Employees. The Committee shall recommend to the Board to take appropriate steps including revision of the remuneration / compensation of the relevant Key Employee or any other action as it may deem fit.
m. The Committee shall report to the Board on its proceedings after each meeting on all matters within its responsibilities.
n. The Committee is authorized by the Board to obtain, at the Company’s expense, outside legal or other professional advice on any matters within its terms of reference
o. recommend to the board, all remuneration, in whatever form, payable to senior management.
p. to review and approve such activities as may be stipulated under various statutes /laws/regulations including amendments thereof from time to time, to be performed by the Committee; and
q. such other functions as may be prescribed from time to time.

*Corporate Social Responsibility Committee (“**CSR Committee**”)*

The Corporate Social Responsibility Committee was re-constituted vide a resolution passed by the Board on October 27, 2021. As on the date of this Draft Prospectus, it comprises:

Name	Designation on Committee	Designation on Board
Deepak Mittal	Member	Non-Executive Director

Name	Designation on Committee	Designation on Board
Gautam Chatterjee	Member	Independent Director
Rajat Avasthi	Member	Managing Director and CEO
Sunil Phatarphekar	Member	Independent Director

The terms of reference of the CSR Committee is mentioned below:

a. formulate and recommend to the Board, an annual action plan in pursuance of its CSR Policy, which shall include the following, namely:-
   i. the list of CSR projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
   ii. the manner of execution of such projects or programs;
   iii. the modalities of utilization of funds and implementation schedules for the projects or programs;
   iv. monitoring and reporting mechanism for the projects or programs; and
   v. details of need and impact assessment, if any, for the projects undertaken by the company
   recommend to the Board, alteration of such plan at any time during the financial year, based on the reasonable justification to that effect;
b. recommend the amount of expenditure to be incurred on the CSR activities;
c. monitor the CSR Policy of the Company from time to time; and
d. review and approve such activities as may be stipulated under various statutes /laws/regulations including amendments thereof from time to time, to be performed by the Committee.

Stakeholders Relationship Committee

The Stakeholders Relationship Committee was re-constituted vide a resolution passed by the Board on November 1, 2022. As on the date of this Draft Prospectus, it comprises:

Name	Designation on Committee	Designation on Board
Sunil Phatarphekar	Chairperson	Independent Director
Gautam Chatterjee	Member	Independent Director
Deepak Mittal	Member	Non-Executive Director
Rajat Avasthi	Member	Managing Director and CEO

The terms of reference of the Stakeholders Relationship Committee are mentioned below:

a. Consider and resolving the grievances of the security holders, including complaints related to transfer/transmission of securities including review of cases for refusal of transfer/transmission of securities, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
b. Review of measures taken for effective exercise of voting rights by shareholders.
c. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
d. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
e. Redressing of shareholders and investor complaints, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates, non-receipt of balance sheet, etc.;
f. Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by the Company, including review of cases for refusal of transfer/transmission of securities;
g. Reference to statutory and regulatory authorities regarding investor grievances;
h. Ensure proper and timely attendance and redressal of investor queries and grievances;
i. To do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers; and
j. to review and approve such activities as may be stipulated under various statutes /laws/regulations including amendments thereof from time to time, to be performed by the Committee.

Risk Management Committee

The Risk Management Committee was reconstituted vide a resolution passed by the Board on March 21, 2024. As on the date of this Draft Prospectus, it comprises:

Name	Designation on Committee	Designation on Board
Deepak Mittal	Chairperson	Non-Executive Director
Biswamohan Mahapatra	Member	Independent Director
Rajat Avasthi	Member	Managing Director and CEO
Kiran Agarwal Todi	Member	CFO
Umesh Wadhwa	Member	-

The terms of reference of the Risk Management Committee are mentioned below:

a. Identifying, measuring and monitoring the various risks faced by the Company;
b. To formulate a detailed risk management policy which shall include:
    i. A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, environmental, social and governance-related ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;
    ii. Measure for risk mitigation including systems and processes for internal control of identified risks.
    iii. Business continuity plan.
c. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
d. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
e. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
f. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken
g. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
h. Mitigating various risks associated with functioning of the Company through Integrated Risk Management Systems, Strategies and Mechanisms;
i. To deal with issues relating to credit policies and procedure and manage the credit risk, operational risk, management of policies and process;
j. To assist in developing the Policies and verifying the Models that are used for risk measurement to have oversight over implementation of risk and related policies;
k. Promoting an enterprise risk management competence throughout the organisation, including facilitating development of IT-related enterprise risk management expertise;
l. Establishing a common risk management language that includes measures around likelihood and impact and risk categories;
m. To evaluate the effectiveness in the made in placing a progressive risk management system and strategy followed by the Company;
n. to evaluate the overall risks faced by the Company including liquidity risk and report to the Board; and
o. Evaluating the risks and materiality of all existing and prospective outsourcing activities.

Lending Committee

The Lending Committee was constituted vide a resolution passed by the Board on January 19, 2023. As on the date of this Draft Prospectus, it comprises:

Name	Designation on Committee	Designation on Board
Gautam Chatterjee	Member	Independent Director
Rajat Avasthi	Member	Managing Director and CEO
Shama Asnani	Member	Non-Executive Director

The terms of reference of the Lending Committee are mentioned below:

a. To sanction Loans & Advances to Directors and their related entities, if the loan amount is more than Rupees Five Crores;
b. To sanction Loans & Advances to Directors and their related entities, if the loan amount is Rupees Five Crores or less but such Director is a member of Credit Committee, or any other Committee or Authority which has power to sanction credit facilities;

c. To sanction Loans & advances to Senior Officers and their relatives, if such Senior Officer is a member of Credit Committee, or any other Committee or Authority which has power to sanction credit facilities;
d. To review and approve such activities as may be stipulated under various statutes /laws/regulations including amendments thereof from time to time, to be performed by the Committee; and
e. Any other terms of reference as may be specified by the Board from time to time.

Asset Liability Management Committee

The Asset Liability Management Committee was reconstituted vide a resolution passed by the Board on March 21, 2024. As on the date of this Draft Prospectus, it comprises:

Name	Designation on Committee	Designation on Board
Rajat Avasthi	Chairperson	Managing Director and CEO
Deepak Mittal	Member	Non-Executive Director
Ajeet Lodha	Member	Chief Risk Officer
Kiran Agarwal Todi	Member	Chief Financial Officer

The terms of reference of the Asset Liability Management Committee are mentioned below:

a. review of macro-economic scenario, impact of industry and regulatory changes monitoring the asset liability gap.
b. Strategizing action to mitigate liquidity and other risks associated with the asset liability gap. Review and suggest corrective actions on liquidity mismatch, negative gaps and interest rate sensitivities. Formulate a contingency funding plan (CFP) for responding to severe disruptions and develop alternate strategies as deemed appropriate, which take into account changes in:
    i. Interest rate levels and trends
    ii. Loan products and related markets
    iii. Monetary and fiscal policy
c. Articulating and monitoring liquidity risk tolerance that is appropriate for its business strategy and its role in the financial system, and verifying adherence to various risk parameters and prudential limits.
d. Implementation of liquidity risk management strategy of the Company and reviewing the risk monitoring system.
e. Ensure that credit exposure to any one group does not exceed the internally set limits as well as statutory limits set by RBI.
f. Decide the strategy on the source, tenor and mix of assets & liabilities, in line with its business plans, taking into account the future direction of interest rates. Establish a funding strategy that provides effective diversification in the sources and tenor of funding. Consider product pricing for advances, desired maturity profile and mix of the incremental assets and liabilities, prevailing interest rates offered by peer NBFCs for similar services/products, etc. Discuss and report on the impact of major funding shifts and changes in overall investment and lending strategies.
g. Endeavour to develop a process to quantify liquidity costs, benefits & risk in the internal product pricing.
h. Review behavioural assumptions and validate models for study of assets & liabilities in preparation of liquidity and interest rate sensitivity statements and ALM analysis.
i. Review stress test scenarios including the assumptions and results.
j. Review and approve the capital allocation methodology.
k. Analyse and deliberate at meetings, issues involving interest rate and liquidity risk, including capital allocation, liquidity cost, off balance sheet exposures, contingent liabilities, management of collateral position and intra-group transfers.
l. Review the results of and progress in implementation of the decisions made in the previous meetings. Report the minutes of its meeting to the Board of Directors on quarterly basis.
m. Formulate ALM policy for the Company;
n. In respect of liquidity risk oversight would include, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding, the structure, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions of the Company;
o. Should ensure that an independent party regularly reviews and evaluates the various components of the Company liquidity risk management process.

OUR PROMOTER

The Promoters of our Company are:

1. **Edelweiss Financial Services Limited**

   Registered Office: Edelweiss House, Off. C.S.T Road, Kalina, Mumbai 400098
   Date of Incorporation: November 21, 1995
   PAN: AAACE1461E
   CIN: L99999MH1995PLC094641

2. **Edelweiss Rural & Corporate Services Limited**

   Registered Office: 2nd Floor, MB Towers, Plot no. 5, Road no. 2, Banjara Hills, Hyderabad 500034
   Date of Incorporation: October 17, 2006
   PAN: AAKCS7311R
   CIN: U45201TG2006PLC078157

3. **Edel Finance Company Limited**

   Registered office: Edelweiss House, Off. C.S.T Road, Kalina, Mumbai 400098
   Date of Incorporation: October 16, 1989
   PAN: AAACD4475F
   CIN: U65920MH1989PLC053909

As on March 31, 2024, our Promoters including six nominees collectively hold 69,350,000 Equity Shares equivalent to 100 % of the Equity Share capital of our Company.

Profile of our Promoters

1. ***Edelweiss Financial Services Limited***

   Edelweiss Financial Services Limited ("**EFSL**"), was incorporated on November 21, 1995, as a public limited company under the provisions of the Companies Act, 1956 as Edelweiss Capital Limited. Subsequently, EFSL received the certificate of commencement of business on January 16, 1996. Further, the name of EFSL was changed from Edelweiss Capital Limited to Edelweiss Financial Services Limited pursuant to fresh certificate of incorporation dated August 1, 2011, issued by the ROC, Maharashtra, Mumbai.

   EFSL has obtained a certificate of permanent registration dated October 11, 2012 bearing Registration No. INM0000010650 issued by the Securities and Exchange Board of India to carry on the activities as a category I Merchant Banker.

   Board of Directors of EFSL

Sr. No.	Name of Director	Designation
1.	Rashesh Shah	Chairman and Managing Director
2.	Venkatachalam Ramaswamy	Vice Chairman & Executive Director
3.	Vidya Shah	Non-executive, Non-Independent Director
4.	Ashok Kini	Independent Director
5.	Ashima Goyal	Independent Director
6.	Shiva Kumar	Independent Director

2. ***Edelweiss Rural & Corporate Services Limited (Formerly known as Edelweiss Commodities* Services *Limited)***

   Edelweiss Rural and & Corporate Services Limited ("**ERCSL**") was originally incorporated on incorporated on October 17, 2006 as a private limited company under the provisions of the Companies Act, 1956 as Sky Heights Developers Private Limited in the State of Maharashtra. Subsequently, the name was changed to "Comfort Projects Private Limited" on May 7, 2009. Further, on January 13, 2011, the name was changed to Comfort Projects Limited as a public limited company.

With effect from August 17, 2012, the name of the Company was changed from Comfort Projects Limited to Edelweiss Commodities Services Limited, pursuant to the fresh certificate of incorporation issued by the Registrar of Companies, Andhra Pradesh, Hyderabad.

Further, pursuant to a fresh certificate of registration dated March 12, 2019, issued by Registrar of Companies, Andhra Hyderabad, the name of the Company was changed to Edelweiss Rural & Corporate Services Limited.

Board of Directors of ERCSL

Sr. No.	Name of Directors	Designation
1.	Vinod Juneja	Independent Director (Chairman)
2.	Ravindra Dhobale	Executive Director and Chief Financial Officer
3.	Santosh Dadheech	Non-executive Director
4.	Nikhil Johari	Non-executive Director
5.	Ananya Suneja	Non-executive Director
6.	Bharat Bakshi	Independent Director

3. ***Edel Finance Company Limited***

Edel Finance Company Limited was originally incorporated under the name and style of Dropadi Finance Limited on October 16, 1989. The Company received the Certificate of Commencement of business on January 2, 1990 and was registered as an NBFC with the Reserve Bank of India (RBI), Mumbai Office vide certificate no. B – 13.01771 dated June 28, 2004. As of date, the Company is a wholly owned subsidiary of Edelweiss Financial Services Limited. Consequent to Edelweiss group acquiring the Company from Anagram Capital Limited, the name of the Company was changed to Edel Finance Company Limited" with effect from February 26, 2011.

The Company received the certificate from RBI on October 9, 2018 to carry on the business as Core Investment Company.

Board of Directors of Edel Finance Company Limited:

Sr. No.	Name of Directors	Designation
1.	Vidya Shah	Executive Director
2.	Ananya Suneja	Executive Director and Chief Financial Officer
3.	Vinod Juneja	Independent Director
4.	Atul Ambavat	Independent Director
5.	Sunil Phatarphekar	Independent Director
6.	Priyadeep Chopra	Non-executive Director

Other understanding and confirmations

Our Company confirms that the Permanent Account Number and Bank account number of the Promoter and Permanent Account Number of Directors shall be submitted to the Stock Exchange at the time of filing the Draft Prospectus.

None of our Promoters and the relatives of the Promoters as per the Companies Act, have been identified as Wilful Defaulters.

No violation of securities laws has been committed by our Promoters in the past or is currently pending against them except as disclosed in section titled "*Outstanding Litigations*" on page 179.

None of our Promoters, was a promoter, director or person in control of any company which was delisted within a period of ten years preceding the date of this Draft Prospectus, in accordance with Chapter V of the SEBI Delisting Regulations.

Our Promoters are not restrained or debarred or prohibited from accessing the capital markets or restrained or debarred or prohibited from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

Common pursuits of our Promoters

None of our Promoters are engaged in businesses similar to ours.

Interest of our Promoters in our Company

Except as stated under the chapter titled "*Financial Information*" beginning on page 146, and to the extent of their shareholding in our Company, our Promoters do not have any other interest in our Company's business.

Our Promoters have no interest in any property acquired by our Company in the last two years from the date of this Draft Prospectus, or proposed to be acquired by our Company, or in any transaction with respect to the acquisition of land, construction of building or supply of machinery.

Further as on April 5, 2024, our Company, has been sanctioned facilities from National Housing Bank of ₹ 4,000 million of which ₹ 1,097.69 million is outstanding. Out of the sanctioned facilities from National Housing Board, ₹ 1,097.69 million have been guaranteed by our Promoter EFSL and ₹ 603.43 million have been guaranteed by our Promoter ERCSL, respectively.

Our Promoters do not intend to subscribe to this Issue.

Payment of benefit to our Promoter in last three fiscal years

Other than as disclosed under the *"Related Party Transactions"*, available at page 128 and other than the dividend that may be declared and paid by our Company, our Company has not made payments of any benefits to the Promoter during the last three fiscals preceding the date of this Draft Prospectus.

Interest of our Promoters in property, land and construction

Our Promoter does not have any interest in any property acquired by our Company within two years preceding the date of filing of this Draft Prospectus or any property proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building or supply of machinery.

RELATED PARTY TRANSACTIONS

For details of the related party transactions for the Fiscals 2023, 2022 and 2021 in accordance with the requirements under Ind AS 24 "Related Party Disclosures" notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, see "*Financial Information*" on page 146, note no. 43.

A) Below are the details of loans made or, guarantees given or securities provided by the Company during the financial years ended March 31, 2023 and March 31, 2022:

Further, please see below the details of loans made or, guarantees given or securities provided by the Company for the current financial year i.e. upto April 26, 2024, and during the last three financial years ended March 31, 2024, March 31, 2023 and March 31, 2022:

(₹ in million)

Nature of transactions	Name of related parties	For the year ended March 31,	
		2023	2022
Transactions with related parties:			
Short term loans given to	ECap Equities Limited (formerly known as Edel Land Limited)	3,600.00	-
	ECL Finance Limited	4,040.00	7,950.00
	Edelweiss Retail Finance Limited	-	6,500.00
	Edelweiss Rural & Corporate Services Limited	6,200.00	4,400.00
	ECap Securities and Investments Limited	1,800.00	-
Short term loans repaid by	ECap Equities Limited (formerly known as Edel Land Limited)	3,000.00	-
	ECL Finance Limited	4,040.00	8,950.00
	Edelweiss Retail Finance Limited	-	6,500.00
	Edelweiss Rural & Corporate Services Limited	6,200.00	4,400.00
	ECap Securities and Investments Limited	1,800.00	-
Balances with related party:			
Short term loan given to	ECap Equities Limited (formerly known as Edel Land Limited)	600.00	-
	ECL Finance Limited	-	-
	ECap Securities and Investments Limited	-	-
	Edelweiss Rural & Corporate Services Limited	-	-
Corporate Guarantee Given to	Edelweiss Rural & Corporate Services Limited	-	950.00

B) Below are the details of loans made or, guarantees given or securities provided by the Company during the financial year ended March 31, 2024 and for the period from April 1, 2024 to April 26, 2024:

Nature of transactions	Name of related parties	For the period April 1, 2024 till April 26, 2024*	For the year ended March 31, 2024*
Transactions with related parties:			
Short term loans given to	ECap Equities Limited	1500.00	5,500.00
	ECL Finance Limited	Nil	850.00
	Edelweiss Rural & Corporate Services Limited	Nil	4,550.00
	ECap Securities And Investments Limited	800.00	950.00

Short term loans repaid by	ECap Equities Limited	Nil	6,100.00
	ECL Finance Limited	Nil	850.00
	Edelweiss Rural & Corporate Services Limited	Nil	4,550.00
	ECap Securities And Investments Limited	Nil	950.00
Balances with related party:			
Short term loan given to	ECap Equities Limited	1500	Nil
	ECL Finance Limited	Nil	Nil
	Edelweiss Rural & Corporate Services Limited	Nil	Nil
	ECap Securities and Investments Limited	800	Nil
Corporate Guarantee Given to	Nil	Nil	Nil

**These details are not based on any audited numbers.*

REGULATIONS AND POLICIES

Given below is a summary of certain sector specific laws and regulations in India, which are applicable to us. The information detailed in this chapter has been obtained from various statutes, regulations and/or local legislations and the bye laws of relevant authorities that are available in the public domain. This description may not be exhaustive and is only intended to provide general information to investors, and is neither designed, nor intended as a substitute for professional legal advice.

The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Introduction - Registration as an HFC and generally applicable regulations

Our Company, being an HFC registered with the RBI, is primarily engaged in the business of providing loans and advances for housing activities. The Company was earlier registered with NHB prior to change of the name of the Company.

The NHB was set up pursuant to the NHB Act, and as the principal agency to promote housing finance institutions and to provide financial and other support to such institutions. In terms of the NHB Act, the primary objectives of the NHB, *inter alia, include* (i) promotion and establishment, or aiding the promotion and establishment of housing finance institutions; (ii) making of loans and advances or rendering any other form of financial assistance for housing activities; (iii) dealing in bills, promissory notes and other instruments; and (iv) formulating schemes for the mobilisation of resources and extension of credit for housing. In line with these objectives and in terms of the NHB Act, the NHB has issued the NHB Directions, which amongst others, set out matters relating to acceptance of deposits by HFCs, prudential norms for income recognition, accounting standards, provision for bad and doubtful assets, capital adequacy and concentration of credit and investments to be observed by the HFCs and matters ancillary and incidental thereto.

Pursuant to the Finance (No. 2) Act, 2019, the NHB Act has been amended consequent to the NHB Act Amendments, to transfer the regulating authority for the housing finance sector from NHB to RBI. Accordingly, amongst others, (i) HFCs are now required to apply to the RBI for registration under the NHB Act, in place of the NHB; and (ii) the RBI has now been conferred the power (a) to determine the percentage of assets to be maintained in terms of its investments and purpose for appropriation of reserve fund; and (b) to regulate, by specifying conditions or prohibit the issue by any HFC of any prospectus or advertisement soliciting deposits of money from the public. However, the NHB Act Amendments, retain certain powers with the NHB, in addition to conferring such powers on the RBI, such as power to conduct inspections and request for documents from the HFCs.

Further, pursuant to the amendments to the 'Master Direction – Exemptions from the RBI Act, 1934 dated November 24, 2020, sections 45 – IA, 45 -IB and 45 – IC of the RBI Act, which deal with requirement of registration and net owned fund, maintenance of percentage assets, and the setting up and maintenance of a reserve fund are not applicable to HFCs.

On June 17, 2020, the RBI released proposed changes to be undertaken in the regulatory framework for HFCs post the transfer of regulation of HFCs from NHB to the RBI with effect from August 9, 2019, for public comments ("**Draft Framework**"). These included changes such as (a) defining principal business and qualifying assets for HFCs; (b) defining the phrase 'providing finance for housing' or 'housing finance'; (c) classification of HFCs as systematically important or non-systematically important; and (d) applicability of liquidity risk framework, liquidity coverage ratio and securitisation.

Basis the inputs received in relation to the Draft Framework, the RBI issued a revised framework for regulating the HFCs by way of its circular dated October 22, 2020 ("**Revised HFC Framework**"). Pursuant to the Revised HFC Framework, the RBI has, amongst others, (a) exempted HFCs from the applicability of section 45-IB and 45-IC of the RBI Act. However, relevant notifications in this regard are yet to be issued; (b) increased the minimum net owned fund requirement for HFCs from ₹ 100 million to ₹ 200 million; and (c) extended applicability of regulations applicable on NBFCs to HFCs pertaining to monitoring of frauds, information technology framework and implementation of Indian Accounting Standards for impairment allowances and regulatory capital.

On October 19, 2023 the RBI issued Master Direction – Reserve Bank of India (Non-Banking Financial Company -Scale Based Regulation) Directions, 2023, as amended from time to time ("**SBR Directions**"). Pursuant to the SBR Directions. A Revised Regulatory Framework for NBFCs whereby NBFCs have been categorised into following four layers based on their size, activity, and perceived riskiness by the RBI:

i. NBFC- Base Layer (“**NBFC-BL**”);
ii. NBFC- Middle Layer (“**NBFC-ML**”);
iii. NBFC- Upper layer (“**NBFC-UL**”); and
iv. NBFC- Top Layer (“**NBFC-TL**”)

The NBFC- BL comprise of (a) non-deposit taking NBFCs below the asset size of ₹ 1,000 crore and (b) NBFCs undertaking the following activities- (i) NBFC-Peer to Peer Lending Platform (NBFC-P2P), (ii) NBFC-Account Aggregator (NBFCAA), (iii) Non-Operative Financial Holding Company (NOFHC) and (iv) NBFCs not availing public funds and not having any customer interface.

The NBFC- ML consist of (a) all deposit taking NBFCs (“NBFC-Ds”), irrespective of asset size, (b) non-deposit taking NBFCs with asset size of ₹ 1,000 crore and above and (c) NBFCs undertaking the following activities (i) Standalone Primary Dealers (SPDs)– (ii) Infrastructure Debt Fund - Non-Banking Financial Companies (IDF-NBFCs), (iii) Core Investment Companies (CICs), (iv) Housing Finance Companies (HFCs) and (v) Infrastructure Finance Companies (NBFC-IFCs).

The NBFC-UL comprise of those NBFCs which are specifically identified by RBI as warranting enhanced regulatory requirement based on a set of parameters and scoring methodology as provided in annexure 1 to SBR Directions. The top ten eligible NBFCs in terms of their asset size shall always reside in the upper layer, irrespective of any other factor.

The NBFC-TL will ideally remain empty. This layer can get populated if RBI is of the opinion that there is a substantial increase in the potential systemic risk from specific NBFC-Upper Layer. Such NBFC shall move to the NBFC-Top Layer. Pursuant the SBR Direction the criteria of asset size of non-deposit NBFCs for classification as non-systemically important for the purpose of regulatory structure of NBFCs have been increased from ₹ 5,00 crore to ₹ 1,000 crore (“**NBFC-ND**”).

Therefore, NBFCs that undertakes housing finance activities will fall under middle layer (“NBFC-ML”"). SBR Directions provide that from October 01, 2022 references to NBFC-ND shall mean NBFC-BL and all references to NBFC-D and NBFC-ND-SI shall mean NBFC-ML or NBFC-UL, as the case may be.

Accordingly, activities of HFCs, are primarily regulated by the RBI and the NHB, including various aspects of our business such as definition of housing finance and housing finance company, net owned fund requirement, capital adequacy, sourcing of funds, on-boarding of customers, credit approval and risk management and asset classification and provisioning. Certain other generally applicable legislations as set out below also regulate other aspects of our business such as recovery of debt and taxation.

Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 ***(“RBI Master Directions”)***

The RBI Master Directions define the term ‘housing finance company’ as a company incorporated under the Companies Act, 2013 that fulfils the following conditions:

a) It is an NBFC whose financial assets, in the business of providing finance for housing, constitute at least 60% of its total assets (netted off by intangible assets); and

b) Out of the total assets (netted off by intangible assets), not less than 50% should be by way of housing finance for individuals by March 31, 2024.

Net owned funds

In terms of the RBI Master Directions, every HFC is required to meet the requirement of net owned funds of ₹200 million for commencing housing finance as one of its principal business or carrying on the business of housing finance as one of its principal business. Provided that a housing finance company holding a certificate of registration and having net owned fund of less than ₹200 million, may continue to carry on the business of housing finance, if such company achieves net owned fund of ₹150 million by March 31, 2022 and ₹200 million by March 31, 2023. Further, for HFCs whose net owned fund currently stands below ₹200 million, are required to submit a statutory auditor's certificate to RBI within a period of one month evidencing compliance with the prescribed levels as at the end of the relevant period and with the failure to reach the minimum requirement leading to cancellation of registration as an HFC with allowance for conversion to a NBFC- Investment and Credit Companies.

Capital Requirement

As per the RBI Master Directions, every HFC is required to maintain a minimum capital adequacy ratio, on an ongoing basis consisting of tier 1 and tier 2 capital which shall not be less than 15% of its aggregate risk weighted assets and of risk adjusted value of off-balance sheet items. The tier 1 capital, at any point of time, shall not be less than 10 per cent. The total of tier 2 capital, at any point of time, shall not exceed 100 per cent of tier 1 capital.

Accounting Standards

HFCs that are required to implement Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 are to prepare their financial statements in accordance with Ind AS notified by the Government of India and comply with the regulatory guidance specified in terms of the RBI Master Directions. Other HFCs comply with the requirements of notified Accounting Standards (AS) insofar as they are not inconsistent with any of the directions provided under the RBI Master Directions.

Source of funds

HFCs can generally raise funds by way of borrowings or through equity. The sourcing of funds by HFCs is primarily regulated by the RBI, NHB, and SEBI. The limits on borrowings by HFCs are governed by the RBI Master Directions. The RBI Master Directions currently permit HFCs to borrow up to 14 times their net owned funds on or after March 31, 2020 and after which this limit shall be further reduced to 13 times of their net owned funds on or after March 31, 2021 and subsequently to 12 times of their net owned funds on or after March 31, 2022. Further, the RBI NCD Directions require HFCs to have in place a board approved policy for resource planning.

In accordance with the RBI Master Directions, our Company has put in place a board approved policy for resource planning ("**Resource Planning Policy**"). The Resource Planning Policy seeks to maintain a balance in the source of funds by borrowing from the debt capital market as well as traditional borrowings from banks and others, reduce the weighted average cost of borrowing by borrowing across multiple maturities, support disbursement growth by providing adequate liquidity, and proper balancing of asset and liability mismatch within the permitted tolerance level.

Term Loans

In terms of the Master Circular – Housing Finance dated July 1, 2015 issued by the RBI, banks are permitted to grant term loans to HFCs considering (long-term) debt-equity ratio, track record, recovery performance and other relevant factors including the other applicable regulatory guidelines

Income Recognition and Provisioning Requirements

The RBI Master Directions require that income recognition be based on recognised accounting principles. Amongst others, income including interest, discount or any other charges on NPA shall be recognised only when it is actually realised. Any such income recognised before the asset became NPA and remaining unrealised shall be reversed. Further, the RBI Master Directions require the board of directors of every HFC to frame investment policy for the company and shall implement the same.

Every HFC shall, after taking into account the time lag between an account becoming non-performing, its recognition as such, the realisation of the security and the erosion over time in the value of security charged, make provision against standard assets, sub-standard assets, doubtful assets and loss assets.

Regulatory Restrictions

An HFC cannot lend against its own shares. Further, no HFC can grant housing loans to individuals up to (a) ₹30 lakhs with LTV ratio exceeding 90%; (b) above ₹30 lakhs and up to ₹75 lakhs exceeding 80%; and (c) above ₹75 lakhs with LTV ratio exceeding 75%. In inclusion, the RBI Master Directions provide for the definition of LTV ratio. Additionally, the RBI advised that disbursement of the loans should be strictly linked to completion of various stages of construction. Further, the RBI has mandated that the HFCs should set up a well-defined mechanism for monitoring the various stages of construction and for ensuring that the consent of the borrower is taken before disbursing the said amount to the constructor / developer.

Further, the fair practices code under RBI Master Directions ("**Fair Practices Code**") requires HFCs to convey certain terms and conditions at the time of sanction of loans such as the annualised interest rate, equated monthly instalments ("**EMI**") structure and prepayment charges. Further, in terms of the PSL Master Directions, issued by the RBI, bank loans to HFCs (approved by NHB for their refinance) for on-lending is permitted, for up to ₹2 million per borrowers, for purchase/construction/ reconstruction of individual dwelling units or for slum clearance and rehabilitation of slum dwellers.

Acceptance / renewal of public deposits

No deposit taking housing finance company shall accept or renew public deposit unless the HFC has obtained minimum investment grade rating for fixed deposits from any one of the approved credit rating agencies, at least once a year and a copy of the rating is sent to the NHB and it is complying with all the prudential norms.

Acquisition / Transfer of Control

In terms of the RBI Master Directions, prior written permission of Reserve Bank of India shall be required for any takeover or acquisition of control of an HFC, which may or may not result in change of management, any change in the shareholding of an HFC accepting / holding public deposits, including progressive increases over time, which would result in acquisition/ transfer of shareholding of 10% or more of the paid-up equity capital of the HFC by / to a foreign investor or any change in the shareholding of an HFC, including progressive increases over time, which would result in acquisition / transfer of shareholding of 26% or more of the paid-up equity capital of the HFC. Provided that, prior approval would not be required in case of any shareholding going beyond 10% or 26%, as applicable, due to buyback of shares / reduction in capital where it has approval of a competent court. However, the same shall be reported to the NHB not later than one month from the date of its occurrence.

Corporate Governance

In terms of the RBI Master Directions, the corporate governance norms shall be applicable to all public deposit accepting / holding HFCs and every non-public deposit accepting HFC with assets size of ₹500 million and above, as per the last audited balance sheet ("**Applicable HFCs**"). The Applicable HFCs are required to constitute audit committee, nomination and remuneration committee, asset liability management committee and a risk management committee. The audit committee must ensure that an information system audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced.

At regular intervals, as may be prescribed, the progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the Applicable HFC must be placed before the board of directors. The Applicable HFCs are also required to adhere to certain other norms in connection with disclosure, transparency and rotation of partners of the statutory audit firm.

Further, the RBI Master Directions provide for appointment of a chief risk officer ("**CRO**") for HFCs with an asset size of ₹50,000 million with clearly specified role and responsibilities. The CRO, who shall be a senior official in the hierarchy of an HFC and shall possess adequate professional qualification / experience in the area of risk management, is required to function independently so as to ensure highest standards of risk management.

Further, all HFCs shall ensure that a policy is put in place with the approval of the board of directors for ascertaining the 'fit and proper' criteria of the directors at the time of appointment, and on a continuing basis. The policy on the 'fit and proper' criteria shall be on the lines of the guidelines contained in the RBI Master Directions.

Guidelines on private placement of NCDs ***("Guidelines")***

A HFC can issue non-convertible debentures ("**Debentures**") for deployment of funds for creation of own assets. However, no HFC shall issue non-convertible debentures to facilitate resource requests of or utilisation by group entities/ parent company/ associates. The NCDs proposed to be issued by a HFC shall not be issued for maturities of less than 12 months from the date of the issue. Further, exercise date of option (put/call), if any, attached to the Debentures shall not fall within the period of one year from the date of issue. Further, eligible HFCs shall obtain credit rating for the for the issue of Debentures from one of the credit rating agencies, viz., the Credit Rating Information Services of India Limited or the Investment Information and Credit Rating Agency of India Limited or the Credit Analysis and Research Limited or the FITCH Ratings India Private Limited or Brickwork Ratings India Private Limited or such other agencies registered with SEBI or such other credit rating agencies as may be specified by RBI.

In terms of the Guidelines, there shall be a limit of 200 subscribers for every financial year, for issuance of Debentures with a maximum subscription of less than ₹10 million, and such subscription shall be fully secured and there shall be no limit on the number of subscribers in respect of issuances with a minimum subscription of ₹100 lakhs and the option to create security in favour of subscribers to Debentures will be with the issuers of such Debentures. Further, the minimum subscription per investor shall be ₹0.02 million.

The issues under the Guidelines are to be completed within a period of 30 days from the date of issue opening. The Guidelines require the offer document of the issue to be made within a maximum period of 6 months from the date of the board resolution authorising the issue and also require a board approved policy for resource planning which covers the planning horizon and the periodicity of the private placement of non-convertible debentures.

Other Borrowings

The RBI issued the Draft Commercial Paper and NCD (RBI) Directions, 2020. All companies, including HFCs are eligible issuers under these directions. The commercial papers and NCDs are required to be issued in a dematerialised form and in minimum denominations of ₹500,000. The tenor of such NCD cannot be less than ninety days or more than one year and the tenor of the commercial papers will not be less than seven days and more than a year. The directions lay down other requirements in relation to the credit rating and maturity of such NCDs.

External commercial borrowings ("**ECB**") are commercial loans raised by eligible resident entities from recognised non-resident entities in terms of the ECB Master Directions. While availing of such ECBs, HFCs are required to conform to parameters such as minimum maturity, permitted and non-permitted end-uses, maximum all-in-cost ceiling set out in the ECB Master Directions.

RBI's circular dated August 25, 2021 read with Gazette notification dated June 17, 2021

The GoI, vide notification no. S.O. 2405(E) dated June 17, 2021, and in exercise of powers under Section 2(1)(m)(iv) of the SARFAESI Act, notified HFCs registered under Section 29A(5) of the NHB Act having assets worth ₹1,000 million and above as financial institutions in terms of the SARFAESI Act. Pursuant to the aforementioned the RBI, vide circular dated August 25, 2021, has withdrawn paragraph 105 of the RBI Master Directions wherein certain criteria for notification of HFCs as financial institutions had been prescribed.

*RBI Master Circular dated October 1, 2021 on Prudential Norms on Income Recognition, Asset Classification and Provisioning Pertaining to Advances (the "**IRACP Norms**") read with the RBI Circular dated November 12, 2021 on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications ("**Prudential Norms – Clarifications 2021**") and read with the Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications dated February 15, 2022*

The IRACP Norms, read with the RBI Master Directions, have laid down prudential norms with regard to NPAs, including in relation to the identification of NPAs and income recognition against NPAs. Further, the Prudential Norms – Clarifications 2021 further seek to ensure uniformity in the implementation of the IRACP Norms across lending institutions and prescribes detailed clarifications regarding the classification and recognition of NPAs. For further information, please refer to "*Risk Factors – Risk Factor #5 Any increase in the levels of non-performing assets, for any reason whatsoever, would adversely affect our business, results of operations and financial condition*." on page 18.

*Master Directions – Reserve Bank of India (Priority Sector Lending)– (Targets and Classifications) Directions, 2020 (the "**PSL Master Directions**")*

The priority sector lending ("**PSL**") guidelines were enacted with a view to govern priority sector advances and loans granted by scheduled commercial banks including regional rural banks, small finance banks, local area banks and primary urban co-operative banks, other than salary earners' banks, licensed to operate in India.

The PSL Master Directions, as updated on October 20, 2022, govern priority sector advances and loans granted by scheduled commercial banks (excluding regional rural banks and small finance banks) regulated by the RBI to HFCs (approved by NHB for the purpose of refinance), for on-lending for purchase, construction or reconstruction of individual dwelling units or for slum clearance and rehabilitation of slum dwellers, subject to an aggregate loan limit of ₹ 2 million per borrower. The eligibility under the PSL Master Directions to HFCs for on-lending is restricted to 5% of the individual bank's total PSL. The average maturity of such priority sector assets created by those who are eligible intermediaries should be co -terminus with the maturity of the bank loan.

RBI circular on Co-lending by Banks and NBFCs to Priority Sector dated November 5,2020

The RBI introduced the co-lending model to increase the affordability and outreach of capital to underserviced sections of the economy. By entering co-lending arrangements, banks and non-banking financial companies ("**NBFC**") can combine the relative advantages of the two to provide financial services.

Banks are permitted to co-lend with all registered NBFCs (including HFCs) based on a prior agreement. The co-lending banks will take their share of the individual loans on a back-to-back basis in their books. However, NBFCs are required to retain minimum 20% share of the individual loans on their books. The bank and the NBFCs will have to maintain their own individual customer accounts but there is a requirement for the funds to be disbursed via an escrow account. The liability for the representations and warranties found in the master agreement will be ascribed to the originating NBFCs. The co-lenders will be mutually required to set up a framework for loan monitoring and recovery, grievance redressal mechanism, arrange for the creation of security and charge and ensure compliance with internal guidelines.

NHB Refinance

NHB offers refinance assistance to primary lending institutions ("**PLIs**") in respect of their housing loans to individuals, and also for their loans to other institutions for housing finance and construction finance for affordable housing. HFCs registered with the NHB, being a PLI, are eligible to obtain refinance under NHB's various refinance scheme from time to time. The NHB provides such refinance assistance in terms of its various refinance schemes such as the regular refinance scheme, special urban housing refinance scheme for low income households and the affordable housing fund, each of which set out certain restrictions applicable to loans provided by the HFCs in terms of their loan size, tenure, location of property and the ultimate borrower in some cases. The terms of the re-finance assistance, such as the tenure and interest rate applicable is subject to eligibility of the loans under the respective schemes. For instance, while the regular refinance scheme provides for refinance assistance in respect of housing loans extended by HFCs for, amongst others, construction and purchase of dwelling units with no restrictions on loan size, location and the ultimate borrowers of such loans, the affordable housing fund includes eligibility conditions based on the annual household income of the borrowers depending on the location of the property being in urban or rural areas, as prescribed thereunder.

Refinance Scheme for Housing Finance Companies 2015, as amended (Refinance Scheme)

Pursuant to the Refinance Scheme and the clarification provided by the NHB by way of the circular NHB (ND)/ROD/HFC/Refinance Circular 1/2015-16 and the refinance booklet dated September 11, 2018 issued by NHB, HFCs registered with the NHB if they fulfil the following criteria, will be eligible to draw refinance from NHB:

a) HFC should be registered with NHB to carry out housing finance activity in the country;
b) The HFCs are required to provide long-term finance for purchase, construction, repair and upgrading of dwelling units by home-seekers;
c) At least 51% of the total tangible assets less cash & bank balance should be utilised for individual housing loans;
d) The HFC should have a net owned fund ("**NOF**") of not less than ₹1,000 lakhs. NOF will carry the same meaning as defined in the NHB Directions;
e) The HFC should comply with the provisions of the NHB Act and NHB Directions, as amended from time to time; and
f) The Net Non-Performing Assets **("NNPA**") of the HFC should not be more than 3.50% of the Net Advances. NPA shall carry the same meaning as defined in the NHB Directions. NNPA means 'NPA less provision'. Net Advances shall mean 'Advances less provision'. 'Advances' shall, apart from housing loans, include mortgage loans, lease transactions, hire purchase assets, bills of exchange, inter-corporate deposits and unquoted debentures;

Owing to the COVID-19 pandemic, the RBI has provided a special liquidity facility of ₹10,00,000 lakhs to the NHB in order to enable it to infuse liquidity into the housing sector through HFCs at more affordable rates and to meet the credit needs of the sector. Accordingly, the NHB has launched the Special Refinance Facility ("**SRF**") scheme. The objective of the scheme is to provide short term refinance support to HFCs which will partially mitigate their liquidity risk and improve the much-needed liquidity into the overall housing finance system. The total amount allocated under this scheme shall be ₹10,00,000 lakhs. A HFC would be eligible for the SRF if (i) its Max Net Non-Performing Assets should not be more than 7.5%; (ii) its ratio of individual housing loans to total assets should be a minimum of 51% as under the liberalised refinance scheme of the NHB; and (iii) the HFC should have extended moratorium to its customers and this should have adversely impacted at least 15% of the cash flows of the HFC during the period of moratorium.

In 2021, RBI again, provided a special liquidity facility of ₹10,00,000 lakhs to the NHB. Accordingly, NHB launched Special Refinance Facility-2021 ("SRF-2021") scheme. The objective of the scheme is to sustain the growth momentum, in light of recent surge of COVID-19 cases. A HFC would be eligible for SRF-2021 if (i) it availed financial assistance under Special Refinance Facility/Additional Special Refinance Facility Scheme; (ii) its Max Net Non-Performing Assets should not be more than 7.5% and (iii) its ratio of individual housing loans to total assets should be a minimum of 51% as under the liberalised refinance scheme of the NHB.

The HFCs are also required to have specific levels of capital employed and net owned funds to be eligible to avail refinance facilities under the Refinance Scheme. The financial assistance can be drawn by HFCs in respect of loans already advanced by them and also for prospective disbursements. The security for refinance from the NHB may generally be secured by a charge on the book debts of an HFC. If at any time NHB is of the opinion that the security provided by the HFC has become inadequate to cover the outstanding refinance, it may advise the HFC to furnish such additional security as may be acceptable to NHB to cover such deficiency.

On-boarding of customers and marketing

Advertising, Marketing and Sales:

The Fair Practices Code under RBI Master Directions seeks to promote good and fair practices by setting minimum standards in dealing with customers, increase transparency, encourage market forces to achieve higher operating standards and promote fair and cordial relationship between customer and HFCs, and foster confidence in the housing finance system. HFCs are required to ensure that 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, including the amount, tenure and periodicity of repayment.

The Fair Practices Code also prescribes certain requirements applicable at the time of applications for loans, loan appraisal and disbursement of loans. For instance, HFCs are required to include in the loan application forms all necessary information so that the applicant may make a meaningful comparison with the terms offered by other HFCs, to devise a system of giving acknowledgement for receipt of all loan applications and to communicate in writing the reasons for rejection of the application.

KYC and AML:

In terms of the provisions of the PMLA and the Prevention of Money Laundering (Maintenance of Records) Rules, 2005, HFCs are required to follow certain customer identification procedures while undertaking a transaction either by establishing an account based relationship or otherwise by monitoring their transactions. Further, the guidelines on 'Know Your Customer' & 'Anti-Money Laundering Measures' for HFCs issued by the NHB by way of its circular dated March 11, 2019 ("**NHB KYC Circular**"), were applicable on HFCs until May 19, 2020.

On May 19, 2020, RBI issued a circular wherein applicability of Master Direction – Know Your Customer (KYC) Direction, 2016 ("**KYC Direction**"), as amended was extended to HFCs and NHB KYC Circular stood repealed. The KYC Direction requires an HFC to formulate a Board approved KYC policy which is required to include four key elements (i) customer acceptance policy formulated by a HFC, which includes requirements applicable at the time of opening of the account by the customers and client due diligence requirements; (ii) risk management, which requires risk categorization of customers based on certain parameters such as identity, social/financial status, nature of business activity and information on client's business and their location; (iii) undertake customer identification procedures when, *inter alia*, commencement of an account based relationship, when there is a doubt about the authenticity or adequacy of the customer identification data, when carrying out international money transfer for non-account holder, when or when selling third party products; and (iv) customer due diligence procedures, which involves obtaining certain identification documents (such as PAN, Aadhaar number or any other officially verified document) from the individual when he establishes an account based relationship or when dealing with the individual who is the 'beneficial owner', authorised signatory or power of attorney holder related to the legal entity.

Master Circular – Returns to be submitted by Housing Finance Companies (HFCs) dated December 31, 2021

The NHB pursuant to its circular dated December 31, 2021 on "*Returns to be submitted by Housing Finance Companies (HFCs)*" advised all HFCs to put in place a reporting system for filing various returns with respect to their deposit acceptance, prudential norms compliance, ALM etc. The reporting is required to be made online within the prescribed timeframe through the Centralised Reporting and Management Information System (CRAMIS) portal only and HFCs are to strictly adhere to the timeframe fixed in this circular for submitting returns to the NHB failing which concerned HFCs would be liable for penal action under the provisions of National Housing Bank Act, 1987. It must be ensured that the information, on common financial parameters, if any, submitted under various returns viz., monthly, quarterly, half-yearly etc., with reference to the position viz., June 30th/ September 30th/ December 31st/ March 31st, remains consistent. Additionally, the HFCs must ensure that the information in the CRAMIS portal be updated immediately, whenever there is any change in the details of managing director and chief executive officer, directors, statutory auditor(s), principal officer, nodal officer, compliance officer, functional head, designated director, authorized signatory, grievance redressal officer, branches/ offices, address of the corporate office, etc.

Credit Approval and Disbursement

The granting of housing loans and disbursements of such loans by HFCs is primarily governed by the directions and circulars issued by the RBI, such as the RBI Master Directions containing the Fair Practices Code and the Revised HFC Framework. In terms of the RBI Master Directions, amongst others, (i) no HFC may grant housing loans to individuals of up to ₹ 3 million with an LTV ratio exceeding 90% of between ₹ 3 million to ₹ 7.50 million with LTV ratio exceeding 80%, and above ₹ 7.50 million with LTV ratio exceeding 75%; (ii) no HFC shall lend to any single borrower an amount exceeding 15% of its owned fund, and to any single group of borrowers, an amount exceeding 25% of its owned fund. Additionally, the NHB advised that disbursement of the loans should be strictly linked to completion of various stages of construction. Further, the RBI has mandated that the HFCs should set up a well-defined mechanism for monitoring the various stages of construction and for ensuring that the consent of the borrower is taken before disbursing the said amount to the constructor / developer.

Further, the fair practices code requires HFCs to convey certain terms and conditions at the time of sanction such as the annualised interest rate, equated monthly instalments **(“EMI”)** structure and prepayment charges. Further, our internal credit policy lays down the requirements for various customer profiles including salaried, self-employed professionals/non-professionals and non-individual entities. The internal credit policy has also laid down clear rules for determining as to who can be an eligible applicant.

Further, in terms of the PSL Master Directions, issued by the RBI, bank loans to HFCs (approved by NHB for their refinance) for on-lending is permitted, for up to ₹ 2 million per borrowers, for purchase/construction/ reconstruction of individual dwelling units or for slum clearance and rehabilitation of slum dwellers.

Asset classification, Provisioning and Income Recognition

COVID19 Regulatory Package - Asset Classification and Provisioning on April 17, 2020

The RBI notified the COVID19 Regulatory Package – Asset Classification and Provisioning to alleviate the burden on financial institutions that were impacted owing to the COVID – 19 pandemic.

In terms of the circular DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020, the RBI allowed financial institutions to provide for a three month moratorium on all term loan payments falling due between March 1, 2020 and March 31, 2020. Similarly, in terms of working capital facilities such as cash credit and overdraft, the RBI permitted the recovery of interest to be deferred.

In respect of accounts which are at default but standard as on February 29, 2020, and an asset classification benefit is extended, lending institutions will be required to make general provisions of not less than 10 per cent of the total outstanding of such accounts, to be phased over two quarters i.e. not less than 5 per cent for each of the quarter ended on March 31, 2020 and the three month period ended June 30, 2020. NBFCs which are required to comply with Ind AS shall, as hitherto, continue to be guided by the guidelines duly approved by their board of directors and as per advisories issued by ICAI for recognition of their impairments.

In terms of circulars issued by the NHB, HFCs are required to comply with the provisions of Ind AS, as notified by the MCA from time to time, including the date of implementation notified by the MCA by its notification dated March 30, 2016. Accordingly, the financial reporting of financial assets, financial liabilities, provisioning and income recognition is primarily governed by Ind AS 109.

In terms of the Revised HFC Framework, HFCs shall also be required to maintain a prudential floor in respect of impairment allowances and follow instructions on regulatory capital.

However, for regulatory and supervisory purposes, including various kinds of reporting to the NHB and RBI, HFCs are required to follow the relevant provisions of NHB Act and RBI Master Directions including framework on prudential norms and other related circulars issued in this regard by the RBI from time to time. Every HFC is required to, after taking into account the degree of well-defined credit weaknesses and extent of dependence on collateral security for realization, classify its lease or hire purchase assets, loans and advances and any other forms of credit into standard assets, sub-standard assets, doubtful assets, and loss assets. Further, every HFC is required to make provisions against sub-standard assets, doubtful assets and loss assets in accordance with provisioning requirements after taking into account the time lag between an account becoming NPA, its recognition as such, the realization of the security, and the erosion over time in the value of security charged.

The RBI Master Directions require that income recognition be based on recognized accounting principles. Amongst others, income including interest, discount or any other charges on NPA shall be recognized only when it is actually realised. Any such income recognized before the asset became NPA and remaining unrealized shall be reversed. The interest income earned on NPA accounts shall be recognised in accordance with principles laid out in the Ind AS.

Risk Management Framework

Asset Liability Management:

The RBI has, by way of its RBI Master Directions, prescribed guidelines for asset liability management system in HFCs ("**ALM Guidelines**"). In terms of the ALM Guidelines, HFCs are exposed to several major risks in the course of their business - credit risk, interest rate risk, equity/commodity price risk, liquidity risk and operational risk. In terms of the ALM guidelines, the asset liability management ("**ALM**") process involves, amongst others, (i) ALM information systems, which includes management information systems and availability of information and accuracy, adequacy and expediency thereof; (ii) ALM organisation, which includes involvement of top level management; and (iii) identification, measurement and management of risks and having in place risk policies and tolerance levels. Further, the scope of the ALM function of the HFC includes, amongst others, liquidity risk management, management of market risks, funding and capital planning, profit planning and growth projection, forecasting and analysing 'what if scenario' and preparation of contingency plans.

The ALM Guidelines also recommended the classification of various components of assets and liabilities into different time buckets for preparation of gap reports (liquidity and interest rate sensitive). The gap is the difference between rate sensitive assets and rate sensitive liabilities for each time bucket. In accordance with the ALM Guidelines, HFCs which are better equipped to reasonably estimate the behavioural pattern of various components of assets and liabilities on the basis of past data or empirical studies could classify them in the appropriate time buckets, subject to approval by the asset-liability committee/board of the HFC.

Appointment of a Chief Risk Officer:

The RBI has mandated the appointment of a Chief Risk Officer ("**CRO**") vide RBI Master Directions. The CRO shall be a senior official with adequate professional qualification and expertise in the area of risk management.

The office of the CRO shall be an independent office with direct reporting lines to the managing director or the chief executive officer. The CRO will be tasked with the identification, mitigation and measuring of risk with respect to the products being offered by the HFC.

Corporate Governance:

The RBI Master Directions issued, apply to every non-public deposit accepting HFC with assets size of ₹ 500 million and above, as per the last audited balance sheet, and all public deposit accepting / holding HFCs ("**Applicable HFC**"). Applicable HFCs are required to constitute, amongst others, an audit committee, an asset liability management committee and a risk management committee. The audit committee must ensure that an information system audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced.

At regular intervals, as may be prescribed, the progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the Applicable HFC must be placed before the board of directors. The Applicable HFCs are also required to adhere to certain other norms in connection with disclosure, transparency and rotation of partners of the statutory audit firm. The Applicable HFCs are also required to frame internal guidelines on corporate governance standards which are also to be put up on their website for information of various stakeholders.

Recovery of dues

In the event customers do not adhere to the repayment schedule for loans provided by HFCs, the Fair Practices Code requires HFCs and its members and staff to follow the defined process provided under the applicable law during collection and security repossession.

Emergency Credit Line Guarantee Scheme

The Ministry of Finance, Government of India on May 13, 2020 announced the Emergency Credit Line Guarantee Scheme under which stressed sectors can avail themselves of debt moratoriums for up to five years.

ECLGS-2.0 refers to the scheme for providing 100% guarantee coverage by NCGTC to its Member Lending Institutions against extension of eligible credit to its existing borrowers in the 26 stressed sectors identified by the Kamath Committee on Resolution Framework and the Healthcare sector whose total credit outstanding (fund based) across all lending institutions and days past due as on February 29, 2020 was above Rs.50 crore and not exceeding Rs.500 crore and upto 60 days respectively.

ECLGS 2.0(Extension) refers to the scheme for providing additional support to existing borrowers of ECLGS 2.0 or new borrowers eligible under ECLGS 2.0 based on revised reference date of March 31, 2021.

ECLGS 3.0 refers to the scheme for providing 100% guarantee to member lending institutions in respect of eligible credit facility extended by them to its borrowers in the hospitality and related sectors-hotels and restaurants, marriage halls, canteens etc, travel and tourism ,travel agents, tour operators, adventure or heritage facilities, leisure and sporting, private bus operators, car repair services, rent-a-car service providers, event/conference organizers, spa clinics, beauty parlours/saloons, motor vehicle aggregators, cinema halls, swimming pools, entertainment parks, theatres, bars, auditorium, yoga institutes, gymnasiums, other fitness centers, units/person engaged in catering or cooking and floriculture products, and civil aviation sector- airlines (including scheduled and non-scheduled airlines, chartered flight operators, air, ambulances), airports, aviation ancillary services such as ground handling and supply chain whose days past due are upto 60 days as on February 29, 2020.

ECLGS 3.0 (Extension) refers to the scheme for providing additional support to existing borrowers of ECLGS 3.0 or new borrowers eligible under ECLGS 3.0 based on revised reference date of March 31, 2021 or January 31, 2022.

ECLGS 4.0 refers to the scheme for providing 100% guarantee to member lending institutions in respect of eligible credit facility extended by them to eligible hospitals/nursing homes/clinics/medical colleges / units engaged in manufacturing of liquid oxygen, oxygen cylinders etc. For setting up of on-site oxygen producing plants. The credit product for which guarantee would be provided under the Scheme has been named as 'Guaranteed Emergency Credit Line (GECL)'.

The ECLGS provides collateral-free, additional credit at capped interest rates to firms in 26 stressed sectors identified by the KV Kamath panel. The scheme also extended the deadline of loan moratorium from December, 2020 to March, 2021. The stressed sectors identified by the panel include aviation, power, construction, steel, roads and real estate. Under the scheme the tenor of additional credit is five years, including one-year moratorium on principal repayment available till March 31, 2021. The scheme does not have a ceiling on annual turnover, but firms were required to have credit outstanding above ₹5,000 lakhs and up to ₹50,000 lakhs as on February 29, 2020 to avail of the scheme.

Laws related to money laundering

The Prevention of Money Laundering Act 2002 ("PMLA")

The PMLA was enacted to prevent money laundering and to provide for the confiscation of property derived from and involved in money laundering. In terms of the PMLA, every financial institution, including housing finance institutions, are required to maintain records of all transactions, including the value and nature of such transactions, provide information of such transactions to the director defined under the PMLA, and verify and maintain the records of the identity of all of its clients, in such a manner as may be prescribed. The PMLA also provides for a power of summons, searches and seizures to the authorities under the PMLA. In terms of the PMLA, whosoever directly or indirectly attempts to indulge, knowingly assists, knowingly is a party to or is actually involved in any process or activity connected with the proceeds of crime and projecting it as untainted property shall be guilty of the offence of money laundering.

Laws in relation to securing and recovering debts

In the event customers do not adhere to the repayment schedule for loans provided by HFCs, the Fair Practices Code requires HFCs and its members and staff to follow the defined process provided under the applicable law during collection and security repossession.

SARFAESI Act:

The SARFAESI Act, read with the Security Interest (Enforcement) Rules, 2002, as amended, governs securitization of assets in India. Any asset reconstruction company may acquire assets of a bank or financial institution, including HFCs, by either entering into an agreement with such bank or financial institution for transfer of such assets to the company or by issuing a debenture or bond or other security in the nature of debentures, for consideration, as per such terms and conditions as may be mutually agreed. If a bank or financial institution is a lender in relation to financial assets acquired by the asset reconstruction company, such company shall be deemed to be the lender in relation to those financial assets. For HFCs, SARFAESI recovery is allowed for all loans of greater than ₹ 0.10 million ticket size.

Further, the SARFAESI Act provides for the enforcement of security interest without the intervention of the courts. Under the provisions of the SARFAESI Act, a secured creditor, such as an HFC, can recover dues from its borrowers by taking any of the measures as provided therein, including (i) taking possession of the secured assets or (ii) taking over the management of business of borrower. Rights, with respect to the enforcement of security interest, under the SARFAESI Act cannot be enforced unless the account of the borrower has been classified as a non-performing asset in the books of account of the secured creditor in accordance with the directions or guidelines issued by the RBI or any other applicable regulatory authority. However, the requirement for a secured debt to be classified as a non -performing asset shall not apply to a borrower who has raised funds through debt securities. In the event that the secured creditor is unable to recover the entire sum due by exercise of the remedies under the SARFAESI Act in relation to the assets secured, such secured creditor may approach the relevant court for the recovery of the balance amounts. A secured creditor may also simultaneously pursue its remedies under the SARFAESI Act.

Further, in terms of the RBI Master Directions, HFCs are permitted to carry out securitization of standard assets and transfer of assets through direct assignment of cash flows and the underlying securities, provided that such HFCs conform to the minimum holding period and minimum retention requirement standards.

Further, the SARFAESI Act was amended under Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Act, 2016. The amendments include: (i) secured creditors can take assistance of the district magistrate to complete the process of recovery of debt within 30 days of filing of an affidavit; (ii) on commencement of the Insolvency and Bankruptcy Code, 2016, in cases where insolvency or bankruptcy proceedings are pending in respect of secured assets of the borrower, priority to secured creditors in payment of debt is subject to the provisions of the Insolvency and Bankruptcy Code, 2016; (iii) creation of a central database to integrate recording of rights over any property registered under various registration systems; (iv) exemption from levy of any stamp duty on transactions for transfer of financial assets of banks or financial institutions in favour of asset reconstruction companies; (v) no requirement for classification of secured debt as non-performing asset in cases of funds raised through issue of debt securities; (vi) granting power to the Reserve Bank of India to carry out audit and inspection of asset reconstruction companies from time to time; (vii) substitution of the term "qualified institutional buyers" with the term "qualified buyers" in order to include non-institutional investors as well; and (viii) with respect to the prior approval of the RBI for any substantial change in management of an asset reconstruction company, including changes affecting the sponsorship in the company by way of transfer of shares within the meaning of the expression 'substantial change in management'.

*Recovery of Debts due to Banks and Financial Institutions Act, 1993 ("**DRT Act**")*

Under the DRT Act, the procedures for recovery of debt have been prescribed and time frames have been fixed for speedy disposal of cases. The DRT Act prescribes the rules for establishment of DRTs, procedure for making application to Debt Recovery Tribunals ("**DRTs**"), powers of DRTs and modes of recovery of debts determined by DRTs, including *inter alia* attachment and sale of movable and immovable properties of defendants, taking possession of property over which security interest is created or any other property of the defendant and appointing receiver for such property and to sell the same, arrest of defendants, defendants' detention in prison and appointment of receivers for management of the movable or immovable properties of defendants. The DRT Act also provides that a bank or public financial institution, such as an HFC, having a claim to recover its debt may join an ongoing proceeding filed by some other bank or public financial institution against its debtor at any stage of the proceedings before the final order is passed by making an application to the DRT. The DRT Act further clarifies that on or after the commencement of the IBC in cases where insolvency and bankruptcy proceedings re pending in respect of secured assets of the borrower, the distribution of proceeds from the sale of secured assets shall be subject to the order of priority as provided therein.

The Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Act, 2016 ("**ESIRDA**") which was introduced on August 16, 2016, amended the DRT Act. The amendments to the DRT Act pursuant to ESIRDA include, amongst others, (i) providing further details of procedures that tribunals need to follow in case of debt recovery proceedings; (ii) granting of power to recovery officers to take possession of the property over which security interest is created or any other property of the defendant as well asappoint a receiver and sell the same; (iii) priority being given to secured creditors in payment of debt in cases where insolvency or bankruptcy proceedings are pending in respect of secured assets of a borrower subject to theprovisions of the Insolvency and Bankruptcy Code, 2016; and (iv) depositing of 50% of the amount of debt due as determined by the DRTs, for filing an appeal against any order of the recovery officer.

RBI Master Circular on Wilful Defaulters dated July 1, 2015

In the Master Circular on 'Willful Defaulters' the term 'willful default' has been redefined, which would be deemed to have occurred if any of the following events occur: (a) Default in repayment obligations despite having capacity to honour the said obligations. (b) Default in repayment obligations and diversion of funds for other purposes, including non-utilization of funds for the specific purposes for which finance was availed. (c) Default in repayment obligations and siphoning off the funds and non-utilization of funds for the specific purposes for which finance was availed moreover when the funds are not available with the unit in the form of other assets. (d) Default in repayment obligations to a lender and disposal or removal of assets (movable, fixed or immovable) which have been given as security without the knowledge of the lender. Further, special emphasis has been added on siphoning-off of funds. Diversion and siphoning of funds includes the following situations: (i) utilization of short-term working capital funds for long-term purposes in contravention of the terms of sanction; (ii) utilization of borrowed funds for creation of assets other than those for which loan was sanctioned; (iii) Transferring of funds to subsidiaries or group companies or other corporates; (iv) routing of funds through any bank other than the lender bank or consortium without prior permission of the lender; (v) investment in other companies by acquiring equities / debt instrument without the approval of lenders; (vi) shortfall in deployment of funds vis-à-vis the amounts disbursed / drawn without the difference being accounted for. After identification of Willful Defaulters, the guidelines mandatorily direct the lenders to adopt certain penal measures, which include the following: (a) No additional facilities will be granted by banks and financial institutions. (b) Promoters of companies that have been identified for siphoning of funds, misrepresentation of accounts and fraudulent transactions will be debarred from institutional finance for floating new ventures for a period of five years (c) Legal process (criminal and civil) will be initiated expeditiously. (d) Willful defaulters will not be allowed to take up board positions in any company and those who are on board will be removed expeditiously.

*Insolvency and Bankruptcy Code, 2016, as amended (the "**IBC**")*

The IBC empowers creditors, whether secured, unsecured, domestic, international, financial or operational, to trigger resolution processes, enables resolution processes to start at the earliest sign of financial distress, provides for a single forum to oversee insolvency and liquidation proceedings, enables a calm period where new proceedings do not derail existing ones, provides for replacement of the existing management during insolvency proceedings while maintaining the enterprise as a going concern, offers a finite time limit within which the debtor's viability can be assessed and prescribes a linear liquidation mechanism.

Companies Act, 2013

The Companies Act, 2013 ("**Companies Act**") has been notified by the Government of India on August 30, 2013 (the "**Notification**"). Under the Notification, Section 1 of the Companies Act has come into effect and the remaining provisions of the Companies Act have and shall come into force on such dates as the Central Government has notified and shall notify. Section 1 of the Companies Act deals with the commencement and application of the Companies Act and among others sets out the types of companies to which the Companies Act applies.
The Companies Act provides for, among other things, changes to the regulatory framework governing the issue of capital by companies, corporate governance, audit procedures, corporate social responsibility, requirements for independent directors, director's liability, class action suits, and the inclusion of women directors on the boards of companies. The Companies Act is complemented by a set of rules that set out the procedure for compliance with the substantive provisions of the Companies Act. As mentioned above, certain provisions of the Companies Act, 2013 have already come into force and the rest shall follow in due course.

Under the Companies Act every company having net worth of ₹ 5,000 million or more, or turnover of ₹ 10,000 million or more or a net profit of ₹ 50 million or more during the immediately preceding financial year shall formulate a corporate social responsibility policy. Further, the board of every such company shall ensure that the company spends, in every financial year, at least two percent of the average net profits of the company made during the three immediately preceding financial years in pursuance of its corporate social responsibility policy.

SEBI Regulations

The Securities and Exchange Board of India ("SEBI") governs listed entities pursuant to the powers granted to it under the Securities and Exchange Board of India Act, 1990, as amended from time to time. In pursuance of these powers, SEBI prescribes regulations with respect to listed entities, ensuring high standards of investor safety and corporate governance. SEBI (Listing Obligations and Disclosure Requirements), 2015, as amended from time to time, list out the continuous disclosure obligations of a listed entity for securing transparency in process and ethical capital market dealings.

SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (“***SEBI NCS Regulations***”)

The Securities and Exchange Board of India, on August 9, 2021, notified the SEBI NCS Regulations, thereby merging the SEBI (Issue and Listing of Debt Securities) Regulations (“**SEBI Debt Regulations**”) and the SEBI (Non-Convertible Redeemable Preference Shares) Regulations, 2013 (“NCRPS Regulations”) into a single regulation. The proposal to merge the two regulations was first introduced by way of a consultation paper released on May 19, 2021, which sought to align the extant regulations with the provisions of the Companies Act 2013, and incorporate the enhanced obligations of debenture trustees, informal guidance and provisions of circulars issued by SEBI. The SEBI NCS Regulations came in to force from the seventh day of their notification in the gazette, i.e. from August 16, 2021. The SEBI Debt Regulations and the NCRPS Regulations stand repealed from this date.

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

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

*SEBI Master Circular for issue and listing of Non-Convertible Securities (NCS), Securitised Debt Instruments (SDI), Security Receipts (SR), Municipal Debt Securities and Commercial Paper (CP) on August 10, 2021 (“**SEBI Master Circular**”).*

SEBI Operational Circular for listing obligations and disclosure requirements for Non-convertible Securities, Securitized Debt Instruments and/or Commercial Paper on July 29, 2022.

Following the SEBI’s notification of the SEBI NCS Regulations, to merge the SEBI Debt Regulations and the NCRPS Regulations into a single regulation, SEBI has issued an the SEBI Operational Circular, which has been further amended by circular number SEBI/HO/DDHS/P/CIR/2021/0692 dated December 17, 2021, circular number SEBI/HO/DDHS/P/CIR/2022/0028 dated March 8, 2022, circular number SEBI/HO/DDHS/P/CIR/2021/031 dated March 22, 2022, circular number SEBI/HO/DDHS/P/CIR/2021/613 dated April 13, 2022 and circular number SEBI/HO/DDHS/ DDHS_Div1/P/CIR/2022/00152 dated November 10, 2022.

Since the notification of the SEBI Debt Regulations and the NCRPS Regulations, SEBI had issued multiple circulars covering the procedural and operational aspects of the substantive law in these regulations. Therefore, the process of merging these regulations into the SEBI NCS Regulations also entails consolidation of the related existing circulars into a single SEBI Operational Circular, in alignment with the NCS Regulations. The stipulations contained in such circulars have been detailed chapter-wise in the SEBI Operational Circular. Accordingly, the circulars listed at Annex - 1 of the SEBI Operational Circular, stand superseded by the SEBI Operational Circular.

RBI’s COVID-19 related measures for HFCs

On March 27, 2020, the monetary policy committee of the RBI, in its statement, noted the adverse impact of COVID-19 and released regulatory packages on March 27, 2020 and April 17, 2020 (“**COVID Package**”). The RBI permitted all the lending institutions (including HFCs) to grant a moratorium on repayment of instalments of term loans and working capital loans falling due between March 1, 2020 to May 31, 2020 for accounts which were classified as ‘standard’ as on February 29, 2020. However, the interest on such instalments continued to accrue on the outstanding portion of the term loans and such accounts did not qualify for asset classification downgrade due to the moratorium. Subject to certain conditions, the HFCs were required to maintain general provisions of at least 10% of the total outstanding accounts in a phased manner until June 30, 2020 for accounts to which moratorium benefit was extended. NBFCs (including HFCs) which were required to comply with Ind AS, had to make impairment provisions as per their expected credit loss models. On May 23, 2020, the moratorium on term loans and working capital facilities was extended until August 31, 2020. The RBI also permitted the lending institutions to convert the interest deferred into a funded interest term loan repayable on or before March 31, 2021. Further, lending institutions were restricted from downgrading the accounts on which moratorium benefit was extended, on account of default in payment.

The RBI also released a Special Liquidity Scheme particularly for NBFCs and HFCs, dated July 1, 2020, whereby, subject to fulfilling eligibility criteria therein, an HFC, in order to exhaust its existing liabilities, could issue short term papers to a special purpose vehicle set up under the scheme. Additionally, the NHB launched the Special Refinance Facility Scheme dated April 29, 2020 under which an HFC can avail short term refinancing to mitigate the liquidity risk if all the eligibility conditions are complied with. The eligible amount of such facilities will be based on the assessment of the impact of the moratorium on the cash flows of the HFC/PLI during the period of the moratorium. For details, see "*Our Business*" and "*Industry Overview*" beginning on pages 91 and 72, respectively.

The RBI Resolution Framework for Covid-19 related Stress dated August 6, 2020 provides for a window to enable the lenders to implement a resolution plan in respect of eligible corporate exposures without change in ownership, and personal loans, while classifying such exposures as standard, subject to specified conditions. Resolution under this framework may be invoked not later than December 31, 2020 and must be implemented within 180 days from the date of invocation.

The RBI Resolution Framework for COVID -19 related Stress – Financial Parameters dated September 7, 2020 sets out the financial parameters that all lending institutions are required to consider while finalising the resolution plans in respect of eligible non-personal loan borrowers.

Lending institutions are required to consider the following financial ratios: (i) total outside liabilities / adjusted tangible net worth; (ii) total debt / EBITDA; (iii) current ratio; (iv) debt service coverage ratio; and (v) average debt service coverage ratio, in terms of this circular.

The various requirements of the Resolution Framework dated September 7, 2020 such as the mandatory requirement of an Inter- Creditor Agreement ("**ICA")**, and the maintenance of an escrow account are required to be implemented at the borrower account level. Further, the RBI has mandated that an invocation of a resolution plan cannot be treated as a substitute for the singing of an ICA.

COVID 19 – Regulatory Package

RBI, on account of the disruptions caused to businesses on account of COVID-19 and to ensure the continuity of viable businesses, has permitted all lending institutions to grant a moratorium of six months on payment of all instalments falling due between March 1, 2020 and August 31, 2020. However, the repayment schedule for such loans as also the residual tenor, will be shifted across the board. Interest shall continue to accrue on the outstanding portion of the term loans during the moratorium period. RBI has also clarified that for all accounts classified as standard as on February 29, 2020, even if overdue as on February 29, 2020, the moratorium period, wherever granted, shall be excluded by the lending institutions from the number of days past due for the purpose of asset classification under the IRAC norms. Further, HFCs will be required to make general provisions in respect of accounts that are in default but were standard as on February 29, 2020, and in respect of which the asset classification benefit has been extended. Such general provisions should be not less than 10% of the total outstanding amount in respect of such accounts, to be phased over the quarter ended March 31, 2020 (not less than 5%) and the three month period ended 30, 2020 (not less than 5%). The aforementioned provisions may be adjusted against the actual provisioning requirements for slippages from the accounts reckoned for such provisions. The residual provisions at the end of the financial year can be written back or adjusted against the provisions required for all other accounts However, all other provisions required to be maintained by lending institutions, including the provisions for accounts already classified as NPA as on February 29, 2020 as well as subsequent ageing in these accounts, shall continue to be made in the usual manner.

RBI circular on Asset Classification and Income Recognition following the expiry of COVID-19 regulatory package dated April 7, 2021 ***("RBI Circular on Asset Classification")***

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

Further, on August 6, 2020 RBI notified the "Resolution framework for COVID-19 Related Stress" (the "**Resolution Framework 1.0**"). Pursuant to the Resolution Framework 1.0, starting September 7, 2020, all lending institutions are required to mandatorily consider certain specified key ratios while finalising the resolution plans in respect of eligible borrowers (in terms of the Resolution Framework 1.0). Additionally, on May 5, 2021 the RBI notified the "Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses" (the "**Resolution Framework 2.0**"), providing a window for lenders to implement resolution plans with the objective of alleviating the potential stress to individual borrowers and small businesses.

Frauds in NBFCs (Reserve Bank) Directions, 2016 to HFCs. As prescribed, quarterly case-wise reports on frauds outstanding are to be submitted with the regional office of the RBI within 15 days of each quarter.

In order to have uniformity in reporting, frauds have been classified as under mainly based on the provisions of the Indian Penal Code:
1. Misappropriation and criminal breach of trust;
2. Fraudulent encashment through forged instruments, manipulation of books of account or through fictitious accounts and conversion of property;
3. Unauthorised credit facilities extended for reward or for illegal gratification;
4. Negligence and cash shortages;
5. Cheating and forgery;
6. Irregularities in foreign exchange transactions; and
7. Any other type of fraud not coming under the specific heads as above.

All HFCs are required to put in place a system for reporting frauds and to fix accountability with staff with respect to delays in reporting fraud cases to the RBI. All cases of fraud of ₹100,000 and above are to be reported to RBI, and if the fraud is ₹100 lakhs or above, the report is to be sent in the prescribed format within three weeks from the date of detection of the fraud. Further, fraud by unscrupulous borrowers are also required to be reported. As prescribed, individual cases of attempted fraud involving ₹25 lakhs or more are required to be placed before the audit committee with information about the fraud. All HFCs are required to submit quarterly reports on frauds outstanding to the department of Non-Banking Supervision of the RBI and are also required to furnish case-wise progress report on frauds involving ₹100,000 and above. Further, annual as well as quarterly review of frauds is required to be placed before the Board of Directors and frauds of ₹100,000 and above must be promptly reported to the board of directors. further, all frauds involving an amount if ₹100 lakhs or above are to be monitored and reviewed by the audit committee.

Miscellaneous

CLSS and Pradhan Mantri Awas Yojana:

The CLSS aims at expanding institutional credit flow to the housing needs of the urban poor, by providing credit-linked subsidy on home loans taken by eligible urban poor for acquisition or construction of houses. The scheme is governed by the PMAY – Housing for All (Urban) issued by the MoHUPA, GoI in March 2016. Individuals belonging to the economically weaker sections ("**EWS**") and the low income group ("**LIG**") seeking housing loans from PLIs, including banks and HFCs, are eligible to avail benefits under the scheme. EWS and LIG households are defined as households having an annual income up to ₹0.3 million, and annual income between ₹0.3 million and ₹0.6 million, respectively. NHB been nominated by the MoHUPA as a Central Nodal Agency under the CLSS, to channelize the subsidy to PLIs and to monitor the progress of the scheme and furnish utilization certificates to the MoHUPA. The CLSS has been implemented through four verticals, namely, (i) "In situ" slum redevelopment; (ii) affordable housing through credit linked subsidy; (iii) affordable housing in partnership; and (iv) subsidy for beneficiary-led individual house construction or enhancement.

Inspection:

In terms of the NHB Act, the NHB has the power to direct housing finance institutions which are companies, to furnish to the NHB and the RBI such statements, information or particulars as may be specified by the NHB. The NHB may, or on being directed to do so by the RBI shall, cause an inspection to be made of any deposit accepting HFC 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.

Reporting:

In addition to the financial reporting requirements, such as submissions of copies of balance sheet and accounts together with the directors' report to the NHB, as prescribed under the RBI Master Directions, pursuant to the Revised HFC Framework, reporting requirements in relation to monitoring of frauds shall be governed in terms of Master Direction – Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016.

Foreign Investments in HFCs:

Foreign investment in our Company is governed primarily by the FEMA, the rules made thereunder, read with the Consolidated FDI Policy and the SEBI (Foreign Portfolio Investors) Regulations, 2019, as amended. Up to 100% foreign investment under the automatic route is currently permitted in "Other Financial Services", which refers to financial services activities regulated by financial sector regulators, including the NHB, as notified by the Government of India, subject to conditions specified by the concerned regulator (in our case, the IRDAI and the RBI), if any.

Other applicable laws:

In addition to the above, we are required to comply with the Companies Act, regulations notified by the SEBI, IRDAI, labour laws, various tax-related legislations, intellectual property related legislations and other applicable laws, in the ordinary course of our day-to-day operations.

Shops and establishments regulations 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.

Labour laws

India has stringent labour related legislations. Our Company is required to comply with certain labour laws, which include the Employees' Provident Funds and Miscellaneous Provisions Act 1952, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, Workmen Compensation Act, 1923, the Payment of Gratuity Act, 1972 and the Payment of Wages Act, 1936, amongst others.

Intellectual property regulations

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement.

SECTION V – FINANCIAL STATEMENTS

FINANCIAL INFORMATION

MATERIAL DEVELOPMENTS

Save and except as disclosed below and elsewhere in this Draft Prospectus, no other material developments have taken place in our Company since March 31, 2023 till April 26, 2024, i.e., the cut-off date.

Nil

FINANCIAL INDEBTEDNESS

As on April 05, 2024, our Company had outstanding Total Borrowings of ₹ 18,403.37 million:

Sr. No.	Nature of Borrowings	Amount Outstanding (in ₹ million)*	%
1.	Secured borrowings	17,893.82	97.23%
2.	Unsecured borrowings	509.55	2.77%
Total Borrowings		**18,403.37**	**100.00%**

*The above amount is calculated after considering Ind AS adjustments for effective Interest rate on borrowings and buyback of secured Non-Convertible Debentures amounting to ₹ 655.73 million (at face value), held in treasury by the Company.

Set forth below, is a summary of the borrowings by our Company outstanding as on April 05, 2024, together with a brief description of certain significant terms of such financing arrangements.

A. Details of secured borrowings:

Our Company's secured outstanding borrowings from banks/financial institutions as on April 05, 2024 amounts to ₹ 8,233.66 million. The details of the secured borrowings are set out below:

Term Loans from Banks/ Financial Institutions:

Sr. No.	Lender's Name	Type of Facility	Amount Sanctioned (*₹ in million*)	Amount Outstanding as on April 05, 2024* (*₹ in million*)	Repayment Date	Repayment Schedule	Security	Credit Rating, if applicable	Asset Classification
1.	Bank of India	Term Loan	5,000.00	721.88	December 31, 2024	8 half yearly repayment	Pari passu first charge by way of hypothecation on the receivables of the company consisting of standard loan assets with asset cover ratio of 1.25 times.	CRISIL A+/Stable	Standard Receivables
2.	Punjab & Sind Bank	Term Loan	1,750.00	247.65	December 29, 2024	24 Quarterly Repayment	First pari passu charge on standard loan receivables along with other lenders of the company with minimum security coverage of 1.10 times of the loan	ICRA A+ placed on rating watch with negative implications	Standard Receivables

Sr. No.	Lender's Name	Type of Facility	Amount Sanctioned (₹ in million)	Amount Outstanding as on April 05, 2024* (₹ in million)	Repayment Date	Repayment Schedule	Security	Credit Rating, if applicable	Asset Classification
							amount.		
3.	State Bank of India	Term Loan	2500.00	2,468.21	April 05, 2029	19 Quarterly Repayment	First hypothecation charge, along with other working capital as well as term lenders and debenture holders on current and future standard loan and other standard receivables (excluding stage-ii & stage iii assets and receivables from NBFCs and MFIs) of the company on pari passu basis, equivalent to 125% of the outstanding amount (including interest)	CRISIL A+/Stable	Standard Receivables
4.	Punjab National Bank	Term Loan	1,000.00	50.80	June 30, 2024	20 Quarterly Repayment	First pari passu charge by way of hypothecation of receivables of	CRISIL A+/Stable	Standard Receivables

Sr. No.	Lender's Name	Type of Facility	Amount Sanctioned (₹ *in million)*	Amount Outstanding as on April 05, 2024* (₹ *in million)*	Repayment Date	Repayment Schedule	Security	Credit Rating, if applicable	Asset Classification
							the Company, consisting of standard loan assets, with minimum asset cover ratio of 1.11 times of the loan amount outstanding.		
5.	Indian Overseas Bank	Term Loan	400.00	293.81	July 31, 2027	54 Monthly Repayment	First paripassu hypothecation charge, along with other working capital as well as term lenders on current and future standard loan and other standard receivables (excluding stressed assets) of the company on pari passu basis, equivalent to 110% of the outstanding amount (including interest). Hypothecation of Receivables.	CRISIL A+/Stable	Standard Receivables
6.	Central Bank of India	Term Loan	500.00	430.52	September 30, 2027	16 Quarterly Repayment	First pari passu charge by way of hypothecation of receivables of the Company, consisting of standard loan assets, with	CRISIL A+/Stable	Standard Receivables

Sr. No.	Lender's Name	Type of Facility	Amount Sanctioned (₹ in million)	Amount Outstanding as on April 05, 2024* (₹ in million)	Repayment Date	Repayment Schedule	Security	Credit Rating, if applicable	Asset Classification
							minimum asset cover ratio of 1.11 times of the loan amount outstanding		
7.	Canara Bank	Term Loan	2,500.00	1,709.24	December 15, 2027	20 Quarterly Repayment	First pari passu charge by way of hypothecation of receivables of the Company, consisting of standard loan assets, with minimum asset cover ratio of 1.10 times of the loan amount outstanding	CRISIL A+/Stable	Standard Receivables
8.	Indian Overseas Bank	Term Loan	750.00	730.24	December 31, 2028	54 Monthly Repayment	First paripassu hypothecation charge, along with other working capital as well as term lenders on current and future standard loan and other standard receivables (excluding stressed assets) of the company on pari passu basis, equivalent to 1.1 times of the outstanding amount (including interest). First	CRISIL A+/Stable	Standard Receivables

Sr. No.	Lender's Name	Type of Facility	Amount Sanctioned (₹ *in million)*	Amount Outstanding as on April 05, 2024* (₹ *in million)*	Repayment Date	Repayment Schedule	Security	Credit Rating, if applicable	Asset Classification
							pari pasu charge on the FD of Rs 4 Crore (maintained with SBI, Lead Bank) along with Consortium lenders.		
9.	Union Bank of India	Term Loan	250.00	236.15	December 31, 2028	20 Quarterly Repayment	First paari pasu charge over current assets, book debts, loans & advances and receivables, current and non-current both present and future alongwith working capital lenders with minimum asset cover of 1.11 times of the limit of the outstanding amount at any point of time. First pari pasu charge over Cash Collateral maintained by, Lead Bank on behalf of consortium.	CRISIL A+/Stable	Standard Receivables
10.	Union Bank of India	Term Loan	250.00	247.47	March 31, 2029	20 Quarterly Repayment	First paari pasu charge over current assets, book debts, loans & advances and receivables, current and	CRISIL A+/Stable	Standard Receivables

Sr. No.	Lender's Name	Type of Facility	Amount Sanctioned (₹ in million)	Amount Outstanding as on April 05, 2024* (₹ in million)	Repayment Date	Repayment Schedule	Security	Credit Rating, if applicable	Asset Classification
							non-current both present and future alongwith working capital lenders with minimum asset cover of 1.11 times of the limit of the outstanding amount at any point of time. First pari pasu charge on the FD of Rs 4 Crore (maintained with SBI, Lead Bank) along with Consortium lenders.		
	Total		**14,900.00**	**7,135.97**					

** Includes adjustment on account of EIR.*

Penalty: The loan documentation executed with respect to the term loans mentioned above set out penalty provisions for compliance with the provisions of the loan documents. Such provisions include, but are not limited to:

(a) Penalty of upto 2% upon any non-compliance of the financial covenants till such non-compliance is cured;
(b) Penalty of upto 2% as prepayment charges, subject to waiver by receiving upto 30 days' notice form the Borrower;
(c) Penalty of upto 2% (on over and above the penal interest of 3%) for diversion of short term funds for long term usage or unrelated activities, till such position is rectified;
(d) Penalty of upto 2% upon any non-payment of interest/ instalment on time/ excess drawings/ reduction in drawing limit; and
(e) Penalty amount as applicable for overdue interest in respect of term loans and over-drawings above the drawing limit in fund based working capital account on account of interest/ development of letters of credit/ bank guarantee, insufficient stocks and receivables, etc., non-submission of stock statements within 20 days of the succeeding month, non-submission of revival/ renewal data at least one month prior to the due date.

Rescheduling: None of the loan documents provides for rescheduling provisions.

Events of Default: The facility documents executed by the Company stipulates certain events as "*Events of Default*", pursuant to which the Company may be required to immediately repay the entire loan facility availed by it and be subject to additional penalties by the relevant lenders. Such events include, but are not limited to:

(a) Failure to pay on the due date any amount payable pursuant to a facility document, (including but not limiting to principal and interest amount payable with respect to any loan), at the place at and in the currency in which it is expressed to be payable;
(b) Failure to comply with any provision of the facility documents, to which it is a party;
(c) Any representation or statement made or deemed to be made by the Company in the facility documents (to which it is a party) or any other document delivered by or on behalf of the Company under or in connection with any facility documents, is or proves to have been incorrect or misleading in any material respect when made or deemed to be made;
(d) Occurring of a cross default event as mentioned in facility documents;
(e) The Company is unable to, is presumed or deemed to be unable to or admits its inability to, pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness or the value of its assets is less than its liabilities (taking into account contingent and prospective liabilities) or a moratorium is declared in respect of any of its indebtedness;
(f) An application or petition has been admitted by any relevant Governmental Agency under the Insolvency and Bankruptcy Code, 2016 (as may be amended, modified or supplemented from time to time) in relation to the Company;
(g) Any action, legal proceedings or other procedure or step is taken in relation to: (a) dissolution of the Company; (b) the suspension of material payments, a moratorium of any material indebtedness of the Company; (c) a composition, assignment or arrangement with any creditor of the Company in accordance with applicable law; (d) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of the Borrower or any of its material assets; or (e) a reference to the relevant Governmental Agency under the provisions of the Insolvency and Bankruptcy Code, 2016; (f) enforcement of any Security Interest over any material assets of the Company, or any analogous procedure or step is taken in any jurisdiction;
(h) It is or becomes unlawful for the Company to perform any of its obligations under the facility documents or any of the facility documents or any material provision is or becomes ineffective, invalid, illegal or unenforceable;
(i) The Company suspends or ceases to carry on (or threatens to suspend or cease to carry on) or gives notice of its intention to cease to carry on all or any substantial part of its business / fulfil its objects as conducted as at the date of the facility documents;
(j) The Company repudiates a facility document or evidences an intention to repudiate a facility document;
(k) Any governmental agency (whether de jure or de facto) nationalises, compulsorily acquires, expropriates or seizes all or any part of the business or assets of the Company;
(l) Any litigation, arbitration, investigative or administrative proceeding or enquiry is current, pending or threatened: (a) to restrain the Company's entry into, the exercise of the Company's rights under, or compliance by the Company with any of its obligations under, the facility documents;
(m) Any event or circumstance occurs which the lenders reasonably believe has or is likely to have a material adverse effect;
(n) In the opinion of the lenders: (a) the security is in jeopardy or ceases to have effect or is inadequate or insufficient; or (b) any security document pertaining to it, executed or furnished by or on behalf of the Company becomes illegal, invalid or unenforceable; or (c) a security document does not create the security Interest it purports to create over the relevant secured asset (which is subject to that security document); or (d) or if any such security document shall be assigned or otherwise transferred, amended or terminated, repudiated or revoked without the approval of the lenders;
(o) The Company or any of its assets and receivables are or become entitled to claim immunity from suit, execution, attachment or other legal process; and
(p) The authorisations required by the Company to carry on its business as a HFC, (including its registration with the NHB) in accordance with applicable law is terminated, revoked, suspended or breached.

Cash Credit / Overdraft against Fixed Deposit ("ODFD") facility availed by our Company:

Sr. No.	Name of Lender	Type of Facility	Amount Sanctioned (₹ in million)	Principal Amount Outstanding as on April 05, 2024 (₹ in million)	Repayment Date / Schedule	Security	Credit Rating, if applicable	Asset Classification
1.	State Bank of India	Cash Credit	100.00	-	On demand	First hypothecation charge, along with other working capital as well as term lenders and debenture holders on current and future standard loan and other standard receivables (excluding stage-ii & stage iii assets and receivables from NBFCs and MFIs) of the company on pari passu basis, equivalent to 125% of the outstanding amount (including interest)	ICRA A+ placed on rating watch with negative implications	Standard Receivables
	Total		**100**	**-**				

Penalty: The loan documentation executed with respect to the term loans mentioned above set out penalty provisions for compliance with the provisions of the loan documents. Such provisions include, but are not limited to:

(a) Penalty of upto 2% (on over and above the penal interest of 3%) for diversion of short term funds for long term usage or unrelated activities, till such position is rectified;
(b) Penalty of upto 5% p.a. in case of cash credit account on the irregular portion if irregular for a period of 60 days and penalty of upto 5% p.a. on the irregular portion in other cases, for the period of such irregularity;
(c) Penalty amount as applicable for overdue interest in respect of term loans and over drawings above the drawing limit in fund based working capital account on account of interest/ development of letters of credit/ bank guarantee, insufficient stocks and receivables, etc., non-submission of stock statements within 20 days of the succeeding month, non-submission of revival/ renewal data at least one month prior to the due date.
(d) Penalty of upto 2% upon any non-compliance of the financial covenants till such non-compliance is cured;
(e) Penalty of upto 2% upon any non-payment of interest/ excess drawings/ reduction in drawing limit; and
(f) Penalty of upto 10% p.a. upon non-payment of outstanding amount and will be applicable from the date of such default.

Rescheduling: None of the loan documents provides for rescheduling provision

Events of Default: The facility documents executed by the Company stipulates certain events as "*Events of Default*", pursuant to which the Company may be required to immediately repay the entire loan facility availed by it and be subject to additional penalties by the relevant lenders. Such events include, but are not limited to:

(a) Failure to pay on the due date any amount payable pursuant to a facility documents, (including but not limiting to principal and interest amount payable with respect to any loan), at the place at and in the currency in which it is expressed to be payable;

(b) Failure to comply with any provision of the facility documents, to which it is a party;

(c) Any representation or statement made or deemed to be made by the Company in the facility documents (to which it is a party) or any other document delivered by or on behalf of the Company under or in connection with any facility documents, is or proves to have been incorrect or misleading in any material respect when made or deemed to be made;

(d) Occurring of a cross default event as mentioned in facility documents;

(e) The Company is unable to, is presumed or deemed to be unable to or admits its inability to, pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness or the value of its assets is less than its liabilities (taking into account contingent and prospective liabilities) or a moratorium is declared in respect of any of its indebtedness;

(f) An application or petition has been admitted by any relevant Governmental Agency under the Insolvency and Bankruptcy Code, 2016 (as may be amended, modified or supplemented from time to time) in relation to the Company;

(g) Any action, legal proceedings or other procedure or step is taken in relation to: (a) dissolution of the Company; (b) the suspension of material payments, a moratorium of any material indebtedness of the Company; (c) a composition, assignment or arrangement with any creditor of the Company in accordance with applicable law; (d) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of the Borrower or any of its material assets; or (e) a reference to the relevant Governmental Agency under the provisions of the Insolvency and Bankruptcy Code, 2016; (f) enforcement of any Security Interest over any material assets of the Company, or any analogous procedure or step is taken in any jurisdiction;

(h) It is or becomes unlawful for the Company to perform any of its obligations under the facility documents or any of the facility documents or any material provision is or becomes ineffective, invalid, illegal or unenforceable;

(i) The Company suspends or ceases to carry on (or threatens to suspend or cease to carry on) or gives notice of its intention to cease to carry on all or any substantial part of its business / fulfil its objects as conducted as at the date of the facility documents;

(j) The Company repudiates a facility document or evidences an intention to repudiate a facility document;

(k) Any governmental agency (whether de jure or de facto) nationalises, compulsorily acquires, expropriates or seizes all or any part of the business or assets of the Company;

(l) Any litigation, arbitration, investigative or administrative proceeding or enquiry is current, pending or threatened: (a) to restrain the Company’s entry into, the exercise of the Company’s rights under, or compliance by the Company with any of its obligations under, the facility documents;

(m) Any event or circumstance occurs which the lenders reasonably believe has or is likely to have a material adverse effect;

(n) In the opinion of the lenders: (a) the security is in jeopardy or ceases to have effect or is inadequate or insufficient; or (b) any security document pertaining to it, executed or furnished by or on behalf of the Company becomes illegal, invalid or unenforceable; or (c) a security document does not create the security Interest it purports to create over the relevant secured asset (which is subject to that security document); or (d) or if any such security document shall be assigned or otherwise transferred, amended or terminated, repudiated or revoked without the approval of the lenders;

(o) The Company or any of its assets and receivables are or become entitled to claim immunity from suit, execution, attachment or other legal process; and

(p) The authorisations required by the Company to carry on its business as a HFC, (including its registration with the NHB) in accordance with applicable law is terminated, revoked, suspended or breached.

Working Capital Demand Loans availed by our Company:

Sr. No.	Name of Lender	Type of Facility	Amount Sanctioned *(₹ in million)*	Principal Amount Outstanding as on April 05, 2024 *(₹ in million)*	Repayment Date / Schedule	Security	Credit Rating, if applicable	Asset Classification
1.	State Bank of India	WCDL	150.00	-	On demand	First hypothecation charge, along with other working capital as well as term lenders and debenture holders on current and future standard loan and other standard receivables (excluding stage-ii & stage iii assets and receivables from NBFCs and MFIs) of the company on pari passu basis, equivalent to 125% of the outstanding amount (including interest)	ICRA A+ placed on rating watch with negative implications	Standard Receivables
	Total		**150.00**	-				

External Commercial Borrowings: Nil

National Housing Bank Refinance

Sr. No.	Lender's name	Type of Facility	Amount Sanctioned (₹ in million)	Principal Amount Outstanding as on April 05, 2024 (₹ in million)	Final Maturity Date	Repayment schedule	Security	Credit Rating, if applicable	Asset Classification
1.	National Housing Bank	Term Loan	500.00	3.85	January 01, 2025	60 Quarterly repayment	1. A first mortgage and/or a first charge by way of hypothecation of all the book	CRISIL A+/Stable	Standard Receivables

Sr. No.	Lender's name	Type of Facility	Amount Sanctioned (₹ in million)	Principal Amount Outstanding as on April 05, 2024 (₹ in million)	Final Maturity Date	Repayment schedule	Security	Credit Rating, if applicable	Asset Classification
							debts, both present and future, together with the securities therefore, in such form and manner as may be acceptable to NHB. 2. Additionally, a first mortgage and/or a first charge by way of hypothecation in a form satisfactory to the NHB of such of the book debts together with the securities, therefore, which are acquired by the Company by grant of housing loans to its constituents from out of its own funds to the extent of 25% of the amount stated at paragraph 8(a) of the sanction letter. Thus, the total assets coverage available would be to the extent of 125% of the amount refinanced.		

Sr. No.	Lender's name	Type of Facility	Amount Sanctioned (₹ in million)	Principal Amount Outstanding as on April 05, 2024 (₹ in million)	Final Maturity Date	Repayment schedule	Security	Credit Rating, if applicable	Asset Classification
							The mortgages and charges referred to above shall rank pari-passu with the mortgages and charges created and/or to be created in favour of such other lenders of the Company and for such amount of their loan which may be agreed to by NHB in writing. 3. Corporate Guarantee by Edelweiss Financial Services Limited and Edelweiss Commodities Services Limited.		
2.	National Housing Bank	Term Loan	1,000.00	118.58	October 1, 2026	60 Quarterly repayment	1. A first mortgage and/or a first charge by way of hypothecation of all the book debts, both present and future, together with the securities therefore, in such form and manner as may be acceptable to NHB.	CRISIL A+/Stable	Standard Receivables

Sr. No.	Lender's name	Type of Facility	Amount Sanctioned (₹ in million)	Principal Amount Outstanding as on April 05, 2024 (₹ in million)	Final Maturity Date	Repayment schedule	Security	Credit Rating, if applicable	Asset Classification
							2. Additionally, a first mortgage and/or a first charge by way of hypothecation in a form satisfactory to the NHB of such of the book debts together with the securities, therefore, which are acquired by the Company by grant of housing loans to its constituents from out of its own funds to the extent of 25% of the amount stated at paragraph 8(a) of the sanction letter. Thus, the total assets coverage available would be to the extent of 125% of the amount refinanced. The mortgages and charges referred to above shall rank pari-passu with the mortgages and charges created and/or to be created		

Sr. No.	Lender's name	Type of Facility	Amount Sanctioned (₹ in million)	Principal Amount Outstanding as on April 05, 2024 (₹ in million)	Final Maturity Date	Repayment schedule	Security	Credit Rating, if applicable	Asset Classification
							in favour of such other lenders of the Company and for such amount of their loan which may be agreed to by NHB in writing. 3. Corporate Guarantee by Edelweiss Financial Services Limited and Edelweiss Commodities Services Limited.		
3.	National Housing Bank	Term Loan	800.00	149.39	July 01, 2025	28 Quarterly repayment	1. First charge over the book debts of the company with 25% margin, which is to be shared on a pari-passu basis with other lenders. 2. In addition, Corporate Guarantee from Edelweiss Financial Services Limited and Edelweiss Commodities Services Limited will be obtained. An undertaking will also be obtained from both the companies	CRISIL A+/Stable	Standard Receivables

Sr. No.	Lender's name	Type of Facility	Amount Sanctioned (₹ in million)	Principal Amount Outstanding as on April 05, 2024 (₹ in million)	Final Maturity Date	Repayment schedule	Security	Credit Rating, if applicable	Asset Classification
							that they will not change their shareholding in the HFC without prior approval of NHB. 3. Further, an undertaking will be obtained from Edelweiss Financial Services Limited, the ultimate holding company, that any change in percentage shareholding of its promoter directors, Sh. Rashesh Shah and Sh. Venkatchalam Ramaswamy will be registered only after prior approval of NHB.		
4.	National Housing Bank	Term Loan	1,200.00	333.16	July 01, 2028	60 Quarterly repayment	1. First charge over the book debts of the company with 25% margin, which is to be shared on a pari-passu basis with other lenders. 2. In addition, Corporate Guarantee from Edelweiss	CRISIL A+/Stable	Standard Receivables

Sr. No.	Lender's name	Type of Facility	Amount Sanctioned (₹ in million)	Principal Amount Outstanding as on April 05, 2024 (₹ in million)	Final Maturity Date	Repayment schedule	Security	Credit Rating, if applicable	Asset Classification
							Financial Services Limited and Edelweiss Commodities Services Limited will be obtained. An undertaking will also be obtained from both the companies that they will not change their shareholding in the HFC without prior approval of NHB. 3. Further, an undertaking will be obtained from Edelweiss Financial Services Limited, the ultimate holding company, that any change in percentage shareholding of its promoter directors, Sh. Rashesh Shah and Sh. Venkatchalam Ramaswamy will be registered only after prior approval of NHB.		

Sr. No.	Lender's name	Type of Facility	Amount Sanctioned (₹ in million)	Principal Amount Outstanding as on April 05, 2024 (₹ in million)	Final Maturity Date	Repayment schedule	Security	Credit Rating, if applicable	Asset Classification
5.	National Housing Bank	Term Loan	500.00	492.71	July 01, 2033	40 Quarterly Repayments	4. First exclusive charge over the book debts of the company with 30% margin. 5. In addition, Corporate Guarantee from Edelweiss Financial Services Limited will be obtained. An undertaking will also be obtained from both the companies that they will not change their shareholding in the HFC without prior approval of NHB. 6. Bank Guarantee equivalent to 15% of the sanctioned amount.	CRISIL A+/Stable	Standard Receivables
	Total		**4,000.00**	**1,097.69**					

The National Housing Bank Refinance is repayable in quarterly instalments for the tenure of loan sanctioned as per the refinance schemes. In the case of adverse balance arising due to pre-closure of loans in normal operation of lending and accelerated repayments, the shortfall is repaid as per the scheme provisions to ensure that flagged loans outstanding is equal or more than the refinance outstanding.

Note – Pre - Repayment Criteria

a. the refinance availed by the HFC can be prepaid without any prepayment charges subject to fulfillment of all the following conditions:

- *Such refinance is availed under the Rural Housing Fund, Urban Housing Fund, Special urban refinance scheme for low income households, or under regular refinance schemes at regular rates*

- *The HFC has received the said amounts from the ultimate borrowers under these schemes and*
- *The prepayment is made not more than once in quarter after giving a two week notice (2 months' notice required for loan mentioned at Sr. No. 1 in the above table)*

b. The refinance availed by the HFC can be prepaid by them without any prepayment charges subject to the following conditions

- *The said refinance has at least run for one year (including the required period of notice*
- *Prior notice of 2 months given to NHB*
- *Such prepayment is made not more than once in any half year (Jan-June or July-Dec)*

c. In all other cases, prepayment would be accepted from the company upon payment of prepayment charges as stated below and subject to the company giving 2 months' notice in writing of its intention to prepay

(i) If time elapsed since disbursement is upto 1 year then prepayment charges are 1% of amount to be prepaid

(ii) If time elapsed since disbursement is more than 1 year then prepayment charges are 0.5% of amount to be prepaid

d. All other terms and conditions of refinance as applicable to Housing Finance Companies as communicated from time to time shall continue to be applicable.

1. Secured Redeemable Non-Convertible Debentures

i. **Private Placement of secured redeemable non-convertible debentures as on April 05, 2024**

Our Company has issued on private placement basis, secured, redeemable, non-convertible debentures under various series of which ₹ 1,779.60 million is outstanding as on April 05, 2024 the details of which are set forth below:

Sr. No	Debenture Name / Series	ISIN	Outstanding Amount as on April 05, 2024 (₹ *in million*)#	Date of Allotment	Redemption Date	Coupon (p.a.) in %	Tenure (Days)	Security	Credit Rating & Outlook
1.	9.62% Secured Redeemable Non-Convertible Debentures	INE530L07160	271.38	April 29, 2016	April 29, 2026	9.62	3652	The Debentures will be secured by first Pari-Passu charge on the standard loan assets of the Company and pari passu charge over an immoveable property owned by the company as identified in the Debenture Trust Deed. Security cover of 1.0x times	ICRA A+ placed on rating watch with negative implications and CARE A/Stable

Sr. No	Debenture Name / Series	ISIN	Outstanding Amount as on April 05, 2024 (₹ *in million*)#	Date of Allotment	Redemption Date	Coupon (p.a.) in %	Tenure (Days)	Security	Credit Rating & Outlook
2.	10.03% Secured Rated Listed Redeemable Non-Convertible Debenture	INE530L07350	1,508.22	March 18, 2019	March 18, 2029	10.53* **Coupon rate at the time of issue was 10.03.*	3653	Mortgage on immovable property of the issuer to the extent of 1.25 times on the book value of the assets of the company (if available), or first or specific or pari-passu charge by way of hypothecation on all the current and future loan assets of the issuer and all the monies receivable there under such that the security cover of minimum 1.25 times is maintained till the maturity/redemption date.	CRISIL A+/Stable
	Total		**1,779.60**						

 # Includes adjustment on account of EIR.

Notes:

Penalty Clause

a) Penalty of upto 2% on the amount in respect of which a default has been committed in the event the Company fails to pay any principal amount on the debentures or any interest, as the case may be, payable when due and payable; and
b) Penalty of upto 1% p.a. over the coupon rate from the expiry of 30 days from the deemed date of allotment till the listing of NCD to the investors, in case of delay in listing of the securities beyond 20 days from the deemed date of allotment.

Event of Default

The occurrence of any of the following events shall constitute an event of default by the company in relation to the Secured Debentures:

a) Default is committed in payment of the principal amount of the debentures on a redemption date;
b) Default is committed in payment of interest on a date when such interest is due and payable under the terms of the information memorandum/ shelf disclosure document and the deed;
c) Default is committed in the performance or observance of any covenant, condition or provision contained in these presents and/ or the financial covenants and conditions or any other transaction documents and except where the trustee (acting under the instructions of the debenture holders) certifies that such default is in their sole opinion incapable of remedy, such default continues for 7 days after written notice has been given thereof by the trustee to the Company required the same to be remedied;
d) Any indebtedness of the Company for borrowed monies i.e. indebtedness for and in respect of monies borrowed or raised (whether or not for cash consideration) by whatever means (including acceptances, credits, deposits and leasing) becomes due prior to its stated maturity by reason of default of the terms thereof or any such indebtedness is not paid at its stated maturity or there is a default in making payments due under any guarantee or indemnity given by the Company in respect of the indebtedness of borrowed monies of any person;
e) Any information given by the Company in the information memorandum/ shelf disclosure documents / reports and other information furnished by the Company and the representations and warranties given/ deemed to have been given by the Company to the trustee under any transaction document are misleading or incorrect in any material respect;
f) If there is a reasonable apprehension that the Company is unable to pay its debts or proceedings for taking it into liquidation, either voluntarily or compulsorily, may be or have been commenced;
g) If the mortgaged premises depreciates in value to such an extent that in the opinion of the debenture holders/ trustee further security to the satisfaction of the debenture holders/ trustee should be given and on advising the Company to that effect such security has not been given to the trustee to their satisfaction;
h) If without the prior written approval of the trustee and the debenture holders any assets offered as security under the security documents or part thereof are sold, leased, assigned, securitized, disposed off, encumbered or alienated or any of the said assets are removed, pulled down or demolished;
i) The Company has voluntarily or involuntarily become the subject of proceedings under any bankruptcy or insolvency laws or the Company is voluntarily or involuntarily dissolved;
j) It is certified by an accountant or a firm of accountants appointed by the Trustee that the liabilities of the Company exceed its respective assets;
k) The Company has taken or suffered any action to be taken for its reorganization, liquidation or dissolution;
l) A receiver or a liquidator has been appointed or allowed to be appoint of all or any part of the undertaking of the Company
m) If a petition for winding up of the Company has been admitted or if an order of a court of competent jurisdiction is made or any special resolution has been passed by the members of the Company for the winding up of the Company otherwise than in pursuance of a scheme of amalgamation or reconstruction previously approved in writing by the trustee and duly carried into effect; and
n) The Company is unable to or has admitted in writing its inability to pay its debts as they mature.

Collateralised borrowing and lending obligation

As on April 05, 2024 , there are no outstanding collateralised borrowing and lending obligations.

2. Secured Redeemable non-convertible debentures (public issue):

Our Company has issued secured redeemable non-convertible debenture of face value of ₹ 1,000 on a public issue basis of which ₹ 7,879.88 million is outstanding amount as on April 05, 2024 , the details of which are set forth below:

S. No	Description	ISIN	Tenor/ period of maturity (Days)	Coupon (p.a.) in %	Date of allotment	Outstanding amount as on April 05, 2024 (₹ in million)*	Redemption / Maturity date	Security	Credit Rating
1	9.57% Secured Redeemable	INE530L07210	3652.00	9.57	19-Jul-16	247.79	19-Jul-26	Rank pari passu with the existing	CARE A/Stable, ICRA A+ placed on

	Non-Convertible Debentures. Letter Of Allotment. Series V.							secured creditors on all loans and advances/ book debts/ receivables, both present and future of our Company and immovable property equal to the value one time of the debentures outstanding plus interest accrued thereon and subject to any obligations under applicable statutory and/or regulatory requirements.	rating watch with negative implications and BWR AA-/Negative
2	10% Secured Redeemable Non-Convertible Debentures. Letter Of Allotment. Series VI.	INE530L07228	3652.00	10	19-Jul-16	3,410.63	19-Jul-26		
3	Secured Redeemable Non-Convertible Debentures. Letter Of Allotment. Series VII.	INE530L07236	3652	-	19-Jul-16	124.73	19-Jul-26		
4	8.50% Secured Rated Listed Redeemable Non Convertible Debenture. Series I.	INE530L07426	731	8.5	29-Apr-22	302.24	29-Apr-24	Pari-passu charge on the assets of the company including Loans and Advances, Receivables, Investments, Current & Other Assets and immovable property / Fixed	CRISIL A+/Stable and ACUITE A+/Stable
5	Secured Rated Listed Redeemable	INE530L07434	731	-	29-Apr-22	148.75	29-Apr-24		

	Non Convertible Debenture. Series II							Assets held by the Company, created in favour of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed, except those receivables specifically and exclusively charged in favour of certain existing charge holders, such that a security cover of at least 100% of the outstanding principal amounts of the NCDs and interest thereon is maintained at all time until the Maturity Date	
6	8.70% Secured Rated Listed Redeemable Non Convertible Debenture Series III	INE530L07442	1096	8.7	29-Apr-22	401.96	29-Apr-25		
7	9.05%, Secured 9.05% Secured Rated Listed Redeemable Non Convertible Debenture Series IV.	INE530L07459	1096	9.05	29-Apr-22	476.90	29-Apr-25		
8	Secured Rated Listed Redeemable Non Convertible Debenture Series V .	INE530L07467	1096	-	29-Apr-22	185.85	29-Apr-25		
9	9.15% Secured Rated Listed Redeemable Non Convertible Debent	INE530L07475	1826	9.15	29-Apr-22	412.48	29-Apr-27		

	ure Series VI .								
10	9.55% Secured Rated Listed Redeemable Non Convertible Debenture Series VII .	INE530L07483	1826	9.55	29-Apr-22	242.25	29-Apr-27		
11	Secured Rated Listed Redeemable Non Convertible Debenture Series VIII .	INE530L07491	1826	-	29-Apr-22	111.01	29-Apr-27		
12	9.30% Secured Rated Listed Redeemable Non Convertible Debenture Series IX .	INE530L07509	3653	9.3	29-Apr-22	138.79	29-Apr-32		
13	9.70% Secured Rated Listed Redeemable Non Convertible Debenture Series X .	INE530L07517	3653	9.7	29-Apr-22	82.08	29-Apr-32		
14	8.95% Secured	INE530L07590		8.95	15-Sep-23	215.46	15-Sep-25	Pari-passu charge on	CRISIL A+/Stable and

	Rated Listed Redeemable Non Convertible Debenture Series I		731					the assets of the company including Loans and Advances, Receivables, Investments, Current & Other Assets and immovable property / Fixed Assets held by the Company, created in favour of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed, except those receivables specifically and exclusively charged in favour of certain existing charge holders, such that a security cover of at least 100% of the outstanding principal amounts of the NCDs and interest thereon is maintained at all	ICRA A+ placed on ratings watch with negative implication
15	Secured Rated Listed Redeemable Non Convertible Debenture Series II	INE530L07574	731	-	15-Sep-23	20.60	15-Sep-25		
16	9.20% Secured Rated Listed Redeemable Non Convertible Debenture Series III	INE530L07566	1096	9.20	15-Sep-23	187.26	15-Sep-26		

								time until the Maturity Date	
17	9.60% Secured Rated Listed Redeemable Non Convertible Debenture Series IV	INE530L07608	1096	9.60	15-Sep-2023	104.32	15-Sep-26	Pari-passu charge on the assets of the company including Loans and Advances, Receivables, Investments, Current & Other Assets and immovable property / Fixed Assets held by the Company, created in favour of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed, except those receivables specifically and exclusively charged in favour of certain existing charge holders, such that a security cover of at least 100% of the outstanding principal	
18	Secured Rated Listed Redeemable Non Convertible Debenture Series V	INE530L07558	1096	-	15-Sep-2023	17.27	15-Sep-26		
19	9.67% Secured Rated Listed Redeemable Non Convertible Debenture Series VI	INE530L07616	1828	9.67	15-Sep-2023	46.76	15-Sep-2028		
20	10.10% Secured Rated Listed Redeemable Non Convertible Debenture Series VII	INE530L07624	1828	10.10	15-Sep-23	163.78	15-Sep-28		
21	Secured	INE530L0		-	15-Sep-	7.71	15-Sep-		

	Rated Listed Redeemable Non Convertible Debenture Series VIII	7533	1828		23		28	amounts of the NCDs and interest thereon is maintained at all time until the Maturity Date	
22	10% Secured Rated Listed Redeemable Non Convertible Debenture Series IX	INE530L07582	3654	10	15-Sep-23	23.54	15-Sep-33		
23	10.45% Secured Rated Listed Redeemable Non Convertible Debenture Series IX	INE530L07541	3654	10.45	15-Sep-23	60.11	15-Sep-33		
24	9.50% Secured Rated Listed Redeemable Non Convertible Debenture Series I	INE530L07707	730	9.5	01-Mar-24	151.33	01-Mar-26	Pari-passu charge on the assets of the company including Loans and Advances, Receivables, Investments, Current & Other Assets held by the Company, created in favour of the	CRISIL A+/Stable
25	Secured Rated Listed Redeemable Non Convertible	INE530L07657	730	0	01-Mar-24	27.08	01-Mar-26		

	Debenture Series II							Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed, except those receivables specifically and exclusively charged in favour of certain existing charge holders, such that a security cover of at least 100% of the outstanding principal amounts of the NCDs and interest thereon is maintained at all time until the Maturity Date	
26	9.58% Secured Rated Listed Redeemable Non Convertible Debenture Series III	INE530L07731	1095	9.58	01-Mar-24	87.91	01-Mar-27		
27	10.00% Secured Rated Listed Redeemable Non Convertible Debenture Series IV	INE530L07715	1095	10	01-Mar-24	85.32	01-Mar-27		
28	Secured Rated Listed Redeemable Non Convertible Debenture Series V	INE530L07699	1095	-	01-Mar-24	38.64	01-Mar-27		
29	10.03% Secured Rated Listed Redeemable Non Convertible Debenture Series VI	INE530L07665	1826	10.03	01-Mar-24	115.71	01-Mar-29		
30	10.50%	INE530L0	1826	10.5	01-	117.32	01-Mar-		

	Secured Rated Listed Redeemable Non Convertible Debenture Series VII	7640			Mar-24		29		
31	Secured Rated Listed Redeemable Non Convertible Debenture Series VIII	INE530L07723	1826	0	01-Mar-24	22.72	01-Mar-29		
32	10.26% Secured Rated Listed Redeemable Non Convertible Debenture Series IX	INE530L07673	3652	10.26	01-Mar-24	62.33	01-Mar-34		
33	10.75% Secured Rated Listed Redeemable Non Convertible Debenture Series X	INE530L07681	3652	10.75	01-Mar-24	39.25	01-Mar-34		
	Total					**7,879.88**			

**Includes adjustment on account of EIR* and buyback of secured Non-Convertible Debentures amounting to ₹ 655.73 million (at face value), held in treasury by the Company.

Note For below ISINs as the investor has not claimed the due amount, there are unclaimed amount O/s in the books as on April 05, 2024 .

S. No	ISIN	Date of allotment	Outstanding amount (₹ in million)	Redemption / Maturity date
1	INE530L07178	19-Jul-16	0.21	19-Jul-19
2	INE530L07194	19-Jul-16	0.47	19-Jul-21
	Total		**0.68**	

3. Corporate Guarantee

Our Company has not issued any corporate guarantee as on April 05, 2024 .

4. Letter of Comfort

Our Company has not issued any letter of comfort as on April 05, 2024 .

B. Details of unsecured borrowings:

1. Commercial Papers

Our Company has no outstanding commercial papers as on April 05, 2024 .

2. Inter-Corporate Deposits

Our Company has no outstanding deposit amount by way of inter-corporate deposits as on April 05, 2024.

3. Inter-Corporate Loans

Our Company has no outstanding borrowing amount by way of inter-corporate loans as on April 05, 2024 .

4. Loan from Directors and Relatives of Directors:

Our Company has no outstanding loan raised from directors and relatives of directors as on April 05, 2024 .

5. Subordinated Debts

i. Private Placement

Our Company has issued on private placement basis, unsecured, redeemable, non-convertible debentures under various series of which ₹ 509.55 million is cumulatively outstanding as on April 05, 2024 , the details of which are set forth below:

(₹ in million)

Sr. No.	Debenture Name / Series	ISIN	Amount Outstanding as on April 05, 2024	Date of Allotment	Redemption Date	Coupon (p.a.) in %	Tenure / Period (Days)	Credit Rating
1.	11.25% Unsecured Redeemable Non-Convertible Subordinated Debt (Tier II)	INE530L08010	509.55	February 4, 2015	May 3, 2025	11.25	3741	ICRA A+ placed on rating watch with negative implication,

Sr. No.	Debenture Name / Series	ISIN	Amount Outstanding as on April 05, 2024	Date of Allotment	Redemption Date	Coupon (p.a.) in %	Tenure / Period (Days)	Credit Rating
								CARE A/Stable
	Total		**509.55**					

Penalty Clause- In case of default in payment of Coupon and/or principal redemption on the Redemption date, additional interest @ 2% p.a. over the Coupon will be payable by the Company for the defaulting period.

Event of Default-

If one or more of the events specified herein hereinafter called the Event(s) of Default] happen(s), the Trustees may, in their discretion, and shall, upon request in writing of the holders of the Debentures of an amount representing not less than three-fourths in value of the nominal amount of the Debentures for the time being outstanding or by a Special Resolution duly passed at the meeting of the Beneficial Owner(s)/Debenture holder(s) convened in accordance with the provisions set out in the Second Schedule hereunder written, by a notice in writing to the Company declare the principal of and all accrued interest on the Debentures to be due and payable.

a) Default is committed in payment of Principal Amount or Interest in respect of any Debentures on the relevant interest Payment Date/Redemption Date and such default has not been set right by the Company within 30 (thirty) days of the Company receiving a notice to this effect from the Debenture Trustee either by making payment to the Debenture Holders, or providing Indian Government Securities (including treasury bills) equivalent in value to the amount mentioned in the notice or in making such alternative arrangements for payment of the deficient amount, as may be mutually agreed between the Company and the Debenture Trustee at such time or times, to the Debenture Trustee (who is required to hold the same in trust for and for the benefit of the Debenture Holders), of an amount equal to the Principal Amount and Accrued Interest and all other amounts due and payable in respect of the Debentures to be issue in pursuance of this Offer Document;

b) The Company has voluntarily become the subject of proceedings under any bankruptcy, insolvency or other similar law or hereafter in effect, or the Company is voluntarily or involuntarily dissolved and a court having jurisdiction in the premise shall enter a decree or order for relief in respect of the Company and such decree or order shall remain un stayed and in effect for a period of 60 (sixty) consecutive days or has consented to the entry of an order for relief in an involuntary case under any such laws, or shall consent to the appointment of or taking possession by a receiver, liquidator, trustee, custodian or similar official of the Company or for any substantial part of its property or has made any general assignment for the benefit of the creditors, or has failed generally to pay its debts as they become due or shall take any corporals action in furtherance of any of the above; and

c) Default is committed in the performance or observance of any covenant, condition or provision contained in these presents and/or the Financial Covenants and Conditions (other than the obligation to pay principal and interest) and, except where the Trustees certify that such default is in their opinion incapable of remedy (in which case no notice shall be required), such default continues for thirty days after written notice has been given thereof by the Trustees to the Company requiring the same to be remedied.

6. Details of Unsecured Term Loans

Our Company has no outstanding unsecured term loan facilities as on April 05, 2024.

C. Servicing behaviour on existing debt securities, payment of due interest on due dates on financing facilities or debt securities

As on the date of this Prospectus, there has been no rescheduling, default and/or delay in payment of principal or interest on any existing term loan, debt security(ies), commercial paper (including technical delay) or any other financial indebtedness including corporate guarantee or letter of comfort issued by the Issuer in the past three financial years and the current financial year.

D. Details of any outstanding borrowings taken/ debt securities issued where taken/ issued (a) for consideration other than cash, whether in whole or in part, (b) at a premium or discount, or (c) in pursuance of an option as on April 05, 2024.

Nil

E. Details of rest of borrowings if any, including hybrid debt instruments such as foreign currency convertible bonds or convertible debentures and preference shares as on April 05, 2024.

Our Company does not have any other borrowings including hybrid debt instruments, such as foreign currency convertible bonds or convertible debentures and preference shares, as on April 05, 2024.

Restrictive covenants under the financing arrangements:

Our financing agreements include various restrictive conditions and covenants restricting certain corporate actions and our Company is required to take the prior approval of the debenture trustee before carrying out such activities. For instance, our Company, inter-alia, is required to obtain the prior written consent in the following instances:

1. Effect any change in control of our Company;
2. Permit any transfer of the controlling interest or make any drastic change in the management set-up;
3. Change or in any way alter the capital structure;
4. Changes made to the general nature of the functions of the Borrower;
5. Effect any scheme of amalgamation or reconstruction;
6. Alter its financial year so that such financial year ends on any date other than on March 31 of each year;
7. Change its accounting policies;
8. Create or permit to subsist any security interest over any of the assets or sell, lease, transfer, grant or lease or otherwise dispose of any its fixed assets;
9. Assume or incur any financial indebtedness; and
10. Issue of guarantees, letters of comfort or undertaking of a similar nature on behalf of any other person.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS

Our Company, Directors, Promoter, and our group companies are subjected to various legal proceedings from time to time, mostly arising in the ordinary course of its business. The legal proceedings are initiated by us and also by customers and other parties. These legal proceedings are primarily in the nature of (a) arbitration petitions (b) civil suits (c) criminal complaints, (d) consumer complaints, (e) tax matters and (f) petitions pending before appellate authorities. We believe that the number of proceedings in which we are involved in is not unusual for a company of our size in the context of doing business in India. Except as disclosed below, there is no outstanding litigation including, suits, criminal or civil prosecutions, regulatory and taxation related proceedings involving our Company, Promoters, Directors and group companies that would have a material adverse effect on our operations or financial position which may affect the Issue or the investor's decision to invest in the Issue.

The Operations Committee has set a materiality threshold for disclosure of events or information in relation to the Issue encompassing all pending litigation involving our Company, other than criminal proceedings and regulatory matters (which would be disclosed in a consolidated manner), as 'material' for the purposes of disclosure in this Draft Prospectus if: (i) the monetary amount of claim by or against the entity or person in any such pending litigation is in excess of an amount of ₹100 million, or (ii) any such litigation or regulatory action the outcome of which has a bearing on the business, operations, prospects or reputation of our Company, irrespective of the amount involved in such litigation. The materiality threshold for disclosure of events or information in relation to the Issue encompassing all pending litigation involving our Promoter, Directors and group companies, other than criminal proceedings and regulatory matters (which would be disclosed in a consolidated manner), as 'material' for the purposes of disclosure in this Draft Prospectus if: (i) the monetary amount of claim by or against the entity or person in any such pending litigation is in excess of an amount of ₹1000 million, or (ii) any such litigation or regulatory action the outcome of which has a bearing on the business, operations, prospects or reputation of our Company, irrespective of the amount involved in such litigation.

It is clarified that for the purposes of the above, pre-litigation notices received by our Company, Directors, our Promoter, or our group companies shall, unless otherwise decided by our Board of Directors/Operations Committee, not be considered as litigation until such time that our Company, Directors, Promoter and/or group companies, as the case maybe, is impleaded as a defendant in litigation proceedings before any judicial forum.

Except as disclosed below, there are no pending proceedings pertaining to:

a. *matters likely to affect operations and finances of our Company, Promoter, Directors, group companies, or any other person, whose outcome could have a material adverse effect on our Company, including disputed tax liabilities and contingent liabilities of any nature;*

b. *any default or non-payment of statutory dues by the Company for the preceding three financial years and current financial year;*

c. *litigation or legal action pending or taken against the promoter of the company by a Government Department or a statutory body or regulatory body during the last three years immediately preceding the year of the issue of this Draft Prospectus;*

d. *the details of acts of material frauds committed against the company in the last three financial years and current financial year, if any, and if so, the action taken by the Company;*

e. *there are no failures or defaults to meet statutory dues, institutional dues and dues towards instrument holders including holders of debentures, fixed deposits and arrears on cumulative preference shares, etc., by our Company;*

f. *pending proceedings initiated against our Company for economic offences;*

g. *inquiries, inspections or investigations initiated or conducted under the Securities laws or Companies Act, 2013, or any previous companies law (including where there were any prosecutions filed and whether such prosecutions are pending or not) and fines imposed or compounding of offences by our Company in the last three years immediately preceding the year of issue of this Draft Prospectus against our Company;*

h. *fines imposed on or compounding of offences done by our Company in the last three years immediately preceding the year of this Draft Prospectus.*

i. details of any disciplinary action taken by SEBI or stock exchange against the Promoters/Group Companies in last five financial years including outstanding action, if any.

1. Material litigations and regulatory actions involving our Company.

(a) As on the date of this Draft Prospectus, following are material litigations in our Company:

(i) Civil Litigation

By our Company

There are no outstanding civil proceedings by the Company as on the date of this Draft Prospectus.

Against our Company

There are no outstanding civil proceedings against the Company as on the date of this Draft Prospectus.

(ii) Criminal Litigation

By our Company

1. Our Company filed a complaint before the Senior Police Inspector, Bandra Kurla Complex Police Station, Mumbai ("**Authority**") *vide* its letter dated November 19, 2014 against Sachin R. Jayswal and Ratan Ram Jayswal and others (collectively, the "**Accused**") for cheating and forgery in relation to a property situated at 4th Floor, Shree Samarth Ashirwad Apartment, Thane ("**Secured Property**"). Subsequently, our Company filed a first information report ("**FIR**") dated January 20, 2015, under Section 154 of the CrPC against the Accused before the Authority under sections 420, 465, 468, 471, 120-B, 467 and 34 of the IPC. Thereafter, our Company issued a notice dated January 20, 2016, under section 13(2) of the SARFAESI to the Accused for payment of the outstanding amount due to our Company. However, we did not receive any reply to such notice. Hence, our Company filed an application under Section 14 of the SARFAESI on September 22, 2016, before the Court of District Magistrate, Thane ("**Court**") seeking possession of the Secured Property. An order dated November 19, 2016, was passed by the Court directing Tahsildar, Thane to take possession of the Secured Property and to handover the articles present in the Secured Property to our Company. Subsequently, Reshma Khan, alleging to be the real owner of the Secured Property, instituted a special civil suit dated April 19, 2017, before the Civil Judge, Senior Division, Thane against our Company and the Executive Magistrate, Thane Tahsildar Office Station, Thane ("**Defendants**") praying, *inter alia*, to declare Reshma Khan as the legal owner of the Secured Property, to restrain the Defendants from taking possession of the Secured Property. The matter is currently pending.

2. Our Company filed a complaint before the Senior Police Inspector, Chaturshrungi Police Station, Pune against Sachin Yashwant Rananaware and Nilam Sachin Rananaware (collectively, the "**Accused**") *vide* its letter dated July 28, 2016, alleging fraud and cheating with reference to a property situated at flat No. 6, 2nd floor and flat No. 10 on 4th floor, Chaya Smruti, Suncity Road, Pune ("**Secured Property**"). Subsequently, our Company filed an application dated August 9, 2016, before District Magistrate, Pune ("**Authority**") under Section 14 of SARFAESI seeking possession of the Secured Property. Thereafter, an order dated March 20, 2017 was passed by the Authority directing authorised personnel to take physical possession of the Secured Property. Subsequently, Anil Kenjalkar, alleging to be the original owner of the Secured Property ("**Applicant**"), instituted a special civil suit dated April 13, 2017 before the Civil Judge, Junior Division, Pune ("**Court**") against our Company, Collector of Pune and other parties ("**Defendants**") praying, *inter alia*, to restrain the Defendants from creating any third party interest or taking possession of flat no. 6 on 2nd floor, Chaya Smruti, Suncity Road, Pune and for an ad-interim injunction to be passed in favour of the Applicant ("**Suit dated April 13, 2017**"). Further, the Applicant has filed an application for condonation of delay dated May 19, 2017, before the Debt Recovery Tribunal, Pune, praying, *inter alia*, to restrain our Company from taking physical possession of the Secured Property. Thereafter, Anil Kenjalkar withdrew his case before the Debt Recovery Tribunal, Pune and filed a fresh case before Debt Recovery Tribunal, Pune *inter -alia* challenging taking of symbolic possession and other incidental reliefs. Our Company filed an application dated October 24, 2017, before the Court under Section 9A of the CPC to set aside the Suit dated April 13, 2017. By an order dated October 9, 2021, the Civil Judge, Pune rejected the Suit filed by Anil Kenjalkar. The matter is currently pending with the Debt Recovery Tribunal.

3. Our Company issued a notice dated October 20, 2016, to P. Aravindan and A. Aruna (collectively, the "**Accused**") under Section 13(2) of SARFAESI for payment of the amount due to our Company in relation to charge created on the property under a home loan dated August 30, 2014, entered between us and the Accused ("**Home Loan Agreement**"). Our Company issued another notice dated January 3, 2017, under Section 13(4) of the SARFAESI to the Accused, on non-receipt of any payment under Section 13(2) notice, for taking possession of the charged property in relation to the Home Loan Agreement. The matter is currently pending. Thereafter, our Company filed a complaint against P. Aravindan, Tholkappian, J. Vinayagamoorthy, K. Babu and B. Saravanan before the Commissioner of Police, Egmore, Chennai *vide* its letter dated September 27, 2017 alleging that pursuant to an internal investigation conducted by our Company, it was found that P. Aravindan and Tholkappian along with the previous employees of our Company i.e. J. Vinayagamoorthy, K. Babu and B. Saravanan ("Ex-Employees") had, *inter alia,* forged the 'Know Your Customer' ("**KYC**") documents and other transactional documents in relation to the Home Loan Agreement. The Accused are presently in judicial custody and the matter is currently pending.

4. Our Company issued a notice dated October 20, 2016, to Prem Anand ("**Accused**") under Section 13(2) of SARFAESI for payment of the amount due to us in relation to charge created on the property under a home loan dated January 1, 2015, entered between our Company and the Accused ("**Home Loan Agreement**"). Our Company issued another notice dated January 3, 2017, under Section 13(4) of the SARFAESI to the Accused, on non-receipt of any payment under section 13(2) notice, for taking possession of the charged property in relation to the Home Loan Agreement. Thereafter, our Company filed a complaint against the Accused, Tholkappian and J. Vinayagamoorthy before the Commissioner of Police, Egmore, Chennai *vide* its letter dated September 27, 2017 alleging that pursuant to an internal investigation conducted by us, it was found that the Accused along with Tholkappian and a previous employee of our Company i.e. J. Vinayagamoorthy, had, *inter alia*, forged the 'Know Your Customer' ("**KYC**") documents and other transactional documents in relation to the Home Loan Agreement. The matter is currently pending.

5. Our Company disbursed a loan to Om Prakash Singh ("**Vendor**") on December 31, 2017, for an amount of ₹ 20.05 million for purchase of Residential Property in Jangpura Extension, Delhi. Om Prakash Singh owner of V3 Mobi Communication Private Limited ("**V3 Mobi**"), a company engaged in developing software and proving online platform for trading. V3 Mobi had been defaulting since March 2018 and was hence declared a non-performing asset ("**NPA**") in August 2018. Our Company filed a complaint to the Police and Economic Offences Wing, New Delhi ("**EOW**") on June 29, 2018. Our Company filed an application before the Delhi High Court for seeking stay of sale proceeding and the Delhi High Court allowed the stay on sale proceeding and directed Punjab National Bank to file their reply on October 29, 2018. A securitization application under Section 17 of the SARFAESI Act was filed before DRT-II on September 6, 2018. The complaint has been registered after rigorous follow up with EOW and a first information report was lodged on dated September 28, 2018, by the Economic Offences Wing. Subsequently, both Vendor and Amarjeet Singh ("**Vendee**") were arrested by EOW. Vide orders dated June 16, 2022, and June 24, 2022, the Vendor and Vendee were released on conditional bail. The Vendor filed an application with EOW for cancellation of bail of the Vendee on account of non-compliance with the terms of the conditional bail granted on June 24, 2022, and subsequently, EOW vide its order dated December 12, 2022, cancelled the bail granted to the Vendee. The matter is currently pending.

6. Our Company issued a notice dated January 20, 2016, against Somprashant M. Patil and Sonali S. Patil (collectively, the "**Accused**") under Section 13(2) of SARFAESI. We thereafter issued a notice dated March 29, 2016, under Section 13(4) of SARFAESI to the Accused intimating them about the symbolic possession of the mortgaged property by our Company. Further, our Company received notices dated July 15, 2015, and April 25, 2016, from Chinchwad Police Station seeking certain documents in relation to the loan granted by our Company to the Accused, pursuant to a first information report filed by Ganpat Datta Salunkhe against the Accused, for which we have provided the relevant documents. The matter is currently pending.

7. Rayabarapu Ranapratap availed a loan from our Company for the purchase of plot at Enumamula location. In the year 2001, Kasarala Laxminarsimha Rao, Kasarala Ranga Rao, and Kodari Sadanandam, executed the registered sale deed in favour of Betheli Santosh Kumar. In the year 2012, Betheli Santosh Kumar executed the general power of attorney dated February 23, 2012, in favour of Masna Sampath Kumar and cancelled it in the year October 2015. In the same month Betheli Santosh Kumar executed self-declaration deed for change of boundaries. Our Company has filed a criminal complaint on February 9, 2019, against Rayabarapu Ranaprathapunder various sections of IPC for showing the non-existing property and obtained

the loan amount fraudulently before PS Hanmakonda Warangal District. The matter is currently pending.

8. Our Company has filed a criminal complaint on January 13, 2020, against Pawan Kumar Goel under various sections of IPC for showing the non-existing property and obtaining the loan amount fraudulently on February 22, 2018, before Station Head Officer Barakhamba Road, New Delhi. The matter is currently pending for investigation.

9. Our Company has filed five separate criminal complaints against its borrowers, Amit Sesmal Jain and nine others before Economic Offences Wing, Pune ("**EOW**") under various sections of CrPC for fraudulently siphoning off our Company's money amounting to ₹14 million while availing home loan facility from the Pune branch. These cases and matters are pending for inquiry. Pursuant to the change in monetary jurisdiction of EOW, the case was transferred for investigation to Zone 4 of EOW ("**Zone 4**"). Thereafter, Zone 4 allocated the cases to Chaturshrungi Police station. After taking multiple follow ups Chaturshrungi police station registered FIR bearing no. 473/2023 on July 12, 2023 against eight borrowers. Accordingly, Chaturshrungi police arrested Rajesh Jain, Amit Jain and recorded statement of Poonam Jain and Komal Jain. Further investigation is pending.

10. Our Company had provided home loan of ₹1.6 million to Ajaykumar Ashokkumar Raut (**Borrower**). The Borrower turned delinquent and on carrying out further checks from the Maharashtra IGR portal, Department of Registration & Stamps it was found that the Borrower in connivance with seller submitted fraudulent registered property agreements to our Company towards the home loan. The Borrower had also fraudulently obtained multiple financing from other financial institutions on the same property. Currently, the charge of other financial institutions including our Company is registered on subject property. Our Company has filed an application under Section 14 of SARFAESI Act before District Magistrate Court, Nagpur on December 8, 2020, and the said matter is pending for orders from District Magistrate.

11. Our Company had provided a home loan of ₹ 3.06 million to Amol Jalinder Phuge (**Borrower**). The Borrower turned delinquent and on carrying out further checks, it was found that the Borrower had created multiple property documents and had availed loans from other financial institutions on the same property. Charge of other financial institutions is registered by virtue of Notice of Intimation (**NOI**) however charge of our company is first as our disbursement is prior to other financial institutions. Our Company has filed application under Section 14 of SARFAESI before District Magistrate Court, Pune. The matter is currently pending before Tahsildar, Pune for fixation of appointment to take physical possession of property as per order passed by District Magistrate. The matter is currently pending.

12. Our Company had provided a home loan of ₹ 2 million to Bhausaheb Balasaheb Jahdav (**Borrower**). The Borrower turned delinquent and on carrying out further checks, it was found that the Borrower fraudulently opened account in builder's name, siphoned off the loan amount and registered cancellation sale deed. Builder sold the subject property to another buyer without intimating to our Company. Though our Company is yet to initiate the SARFAESI proceedings, we have reported this case as fraud to National Housing Board. Further, on July 29, 2022, Our Company filed a criminal complaint with Khed Police Station, Pune against the Borrowers and one Sunita Deepak Ghumatkar, Builder for criminal conspiracy and cheating. The matter is pending for investigation.

13. Our Company had provided a home loan of ₹ 2 million to Divya Flora Sundaram Gollapalli ("**Borrower**"). The Borrower turned delinquent and on carrying out further checks, it was found that the Borrower had submitted fraudulent property papers/registered agreements with absence of layout plan, mismatched dimensions of property stated in the sale deed, technical report vis-à-vis property taken as collateral. The Borrower is not traceable, and property is in the possession of some third party who is claiming the owner of property. Our Company has filed Criminal complaint with SR Nagar Police Station, Hyderabad City against Borrower on September 8, 2020. The matter is pending for investigation.

14. Our Company had provided a home loan of ₹ 7.4 million to M Hanumantha Rao ("**Borrower"**). The Borrower turned delinquent and on carrying out further checks, it was found that the builder had done multiple transactions on the subject property and sold the property to multiple buyers. The builder has provided fraudulent registered property agreement to Borrower which was submitted to our Company towards the home loan. The Builder is absconding and is not traceable. Currently, the subject property is occupied by third parties and they are claiming to be the owner of the property. Our Company has filed criminal complaint on September 24, 2020, against the Borrower at Koramangala Police station, Bangalore. The matter pending for investigation.

15. Our Company had provided a home loan of ₹ 2 million to Menta Bhanuprakash (“**Borrower”**). The Borrower turned delinquent and on carrying out further checks, it was found that the Borrower defrauded our Company by submitting colour xerox/fake property documents. The subject property falls under prohibited property list. Our Company has filed application under section 14 of SARFAESI before the District Magistrate Court, Nellore on December 22, 2019. The said application is pending for order.

16. Our Company had provided a home loan of ₹ 4.99 million to Rajkumar Silarpur (“**Borrower**”). The Borrower turned delinquent and on carrying out further checks, it was found that the Borrower had misrepresented the facts about seller and submitted an invalid sale deed. The general power of attorney basis which the sale deed was executed was not valid as the seller was not alive at the time of execution and consequently the sale deed also becomes invalid. The subject property is in the possession of some third party, B. Karunakar, who is claiming to be the original owner of the property. The third party has filed an application before the Debt Recovery Tribunal on October 6, 2020, against our Company, which is pending for hearing. Our Company has filed application under section 14 of SARFAESI before District Magistrate Court, Secunderabad on January 8, 2021, and is pending for orders. The matter is currently pending.

17. Our Company had provided a home loan of ₹ 1.5 million to Yernamma Kommineni (“**Borrower**”). The Borrower turned delinquent and on carrying out further checks, it was found that the Borrower in connivance with the seller defrauded our Company by misrepresenting the facts and creating a false profile and submitting fake business and income documents. The Borrower is not traceable. The subject property was overvalued by more than ₹1.9 million. (It was valued at ₹3 million at acquisition. The latest valuation is at ₹1.08 million). The valued property lies near the highway/main road and is different from the subject property mentioned in the sale deed, that lies in the interiors. Our Company has sold the property in auction to a third party. Our Company is in the process of filing an original application for loss on sale before the Debt Recovery Tribunal. Though our Company is yet to initiate SARFAESI proceedings, we have reported this case as fraud to the National Housing Board.

18. Our Company had provided a home loan of ₹ 10.5 million to Jitendra Dalchand Jain and Kavita Jain **(**“**Borrowers**”). The Borrowers turned delinquent, and on carrying out further checks, it was found that the Borrowers in connivance with the developer have defrauded our Company by misrepresenting the unit numbers being mortgaged with us, submitting forged approved plan and issuing no-objection certificate, receipts and entering into a registered sale deed for non-existent properties by the developer. The developer fraudulently submitted a plan where the Permanent Transit Cam (“**PTC**”) were shown as free sale units, and the Slum Redevelopment Authority (“**SRA**”) stamp and correct approval number were put on the fabricated plan. On February 25, 2021, our Company filed a criminal complaint against the Borrowers, and Neeraj M Ved, Proprietor of Shreenath Corporation, Builders and Developers alleging forgery, criminal breach of trust and cheating with BKC Police Station, Bandra, Mumbai. On November 08, 2023, FIR being No. 662 of 2023 was registered against Accused under Sections 409, 420, 465, 467, 471 and 34 of the IPC before the Bandra Kurla Complex police station. Further investigation is pending.

19. Our Company had provided a home loan of ₹ 14.2 million to Nikesh Mohan Gajara and Gitaben Mohanlal Gajara (“**Borrowers**”). The Borrowers turned delinquent, and on carrying out further checks, it was found that the Borrowers in connivance with the developer have defrauded our Company by misrepresenting the unit numbers being mortgaged with us, submitting forged approved plan and issuing no-objection certificate, receipts and entering into a registered sale deed for non-existent properties by the developer. The developer fraudulently submitted a plan where the Permanent Transit Camp (“**PTC**”) were shown as free sale units, and the Slum Redevelopment Authority (“**SRA**”) stamp and correct approval number was put on the fabricated plan. On February 25, 2021, our Company filed a criminal complaint against the Borrowers, and Neeraj M Ved, Proprietor of Shreenath Corporation, Builders and Developers alleging forgery, criminal breach of trust and cheating with BKC Police Station, Bandra, Mumbai. The Complaint is pending for investigation. On November 08, 2023, FIR being No. 662 of 2023 was registered against Accused under Sections 409, 420, 465, 467, 471 and 34 of the IPC before the Bandra Kurla Complex police station. Pursuant to same, Nikesh Gajara had been arrested by the Police and is still in the Police custody as his bail application was rejected by the Ld. Court. Further investigation is pending.

20. Our Company had provided home loan of ₹ 1.96 million to Ganesh Shankar Rakshe and Rupali Ganesh Rakshe (“Borrowers”). The Borrowers turned delinquent and on carrying out further checks, it was found that the Borrowers have availed multiple loans against mortgaged home loan property from various other

banks and financial institutions by submitting forged documents. Our Company therefore, issued a demand notice dated April 30, 2019, to the Borrowers under Section 13(2) of SARFAESI Act for payment of outstanding amounts . Subsequently, Our Company also filed a criminal complaint against the Borrowers ("Accused") vide its letter dated March 04, 2021 with reference to mortgage home loan against property situated at California Heights, Pune, Maharashtra, ("Secured Property"), before the Senior Police Inspector, Chatursrungi Police Station, Pune for fraud and cheating committed by the Accused. The complaint is pending for investigation.

21. Our Company, filed a criminal complaint dated December 4, 2021, before the Deputy Commissioner of Police- Central, Faridabad, Haryana against i) Manish Kumar Pandey, ii) Haribansh Kumari Pandey and iii) Raghav Sharma (collectively, the "**Accused**") for committing offence of criminal breach of trust, fraud, cheating punishable under various provisions of IPC while availing home loan against the property situated at H/No. 2161, Type MIG, Sector 28 HB Colony, Faridabad, Haryana. The Accused submitted the forged title and loan documents and availed a loan of ₹ 15 million. Subsequently, under detailed verification it was revealed that the original property owner was deceased much prior to executing sale deed/title deed and Accused persons obtained the loan against forged documents. Our Company reported this case as fraud to Central Fraud Monitoring Cell, RBI, Bengaluru and Department of Non-Banking Supervision, RBI, Mumbai as well as National Housing Bank, Department of Supervision, New Delhi. The investigation is currently pending.

22. Our Company had provided home loan of ₹ 2.36 million to Aashish Nandkumar Gaikwad and Sonali Aashish Gaikwad ("**Borrowers**"). The Borrowers turned delinquent and on carrying out further checks, it was found that the Borrowers have availed multiple loans against mortgaged home loan property from various other Banks and Financial Institutions by submitting forged documents. Our Company therefore, issued a demand notice dated September 29, 2019, to the Borrowers under Section 13(2) of SARFAESI for payment of the outstanding amount in relation to charge created on the property under a home loan agreement dated December 14, 2017 entered between Our Company and the Borrowers ("**Home Loan Agreement**"). Our Company issued a loan recall notice dated June 20, 2021, to the Borrowers. Subsequently, Our Company filed a criminal complaint against the Borrowers ("Accused") vide its letter dated June 22,2021 with reference to mortgage home loan property situated at Flat no.102, first floor, Building A, Samarth residency, Gavane wasti, CTS No. 3308 P, Bhosari Pune ("Secured Property") before the Senior Police Inspector, Chatursrungi Police Station, Pune for fraud and cheating committed by the Accused. The Complaint is pending for investigation.

23. Our Company filed a criminal complaint dated February 24, 2022 before the in-charge, Police chowki, Sector 28, Faridabad, Haryana against Renu Dialani, Vinay Kumar Bhatia, Vishal Pawar, DSA namely Pramod Agarwal, Rekha Agarwal, Veena Pahwa, Kuldeep Arya alias Kuldeep Pundir (collectively, the "**Accused**") for committing offence of criminal breach of trust, fraud, cheating punishable under various provisions of IPC while availing mortgage loan against the property situated at House No. 2148, Type – MIG, Sector 28, Housing Board Colony, Faridabad – 121 008. Upon inspection of the mortgage property, our Company analysed that the Accused have submitted the forged title and loan documents pertaining to the mortgaged property, while availing mortgage loan of ₹ 118 million. Subsequently, under detail verification it's revealed that the Borrowers, the Accused Nos. 1 & 2 are not original owners of the mortgaged property and property has been claimed by the Accused Nos. 4 and 5 after purchasing from Accused No. 6. Our Company reported this case as Fraud to Central Fraud Monitoring Cell, RBI, Bengaluru and Department of Non-Banking Supervision, RBI, Mumbai as well as National Housing Bank, Department of Supervision, New Delhi. The investigation is currently pending. Our Company reported this case as fraud to Central Fraud Monitoring Cell, RBI, Bengaluru and Department of Non- Banking Supervision, RBI, Mumbai as well as National Housing Bank, Department of Supervision, New Delhi. Further as regards to recovery of outstanding amount Our Company initiated arbitration proceedings at Mumbai claim amount Rs.8.62 million, pursuant to which an arbitration award dated September 24, 2022, was passed which entitled Our Company to claim entire outstanding amount up to the date of termination of agreement. The matter is currently pending.

24. Our Company filed a criminal complaint dated March 7, 2022 before the In-charge, Police chowki, Sector 28, Faridabad, Haryana against i) Pramod Agarwal, ii) Vishal Pawar, DSA, iii) Smita Singh, iv) Abhishek Singh, v) Kusum Praveen, vi) Kuldeep Arya alias Kuldeep Pundir, vii) Chetna Agarwal and viii) Gaurav Agarwal (collectively, the "**Accused**") for committing offence of criminal breach of trust, fraud, cheating punishable under various provisions of IPC while availing home loan against the property situated at Flat No. 406, Tower – D-5, KLJ Platinum Plus, Group Housing Project situated at Village Neemka, Sector –

77, Faridabad, Haryana. The Accused persons have submitted the forged title and loan documents, while availing mortgage loan of ₹ 2.95 million. Subsequently, under detail verification it is revealed that the Borrowers, Accused Nos. 3 & 4 are not original owners of the mortgaged property and property has been claimed by the Accused Nos. 7 and 8 i.e. the daughter and son-in-law of the Accused No. 1 under gift deed. Nido also reported this case as Fraud to Central Fraud Monitoring Cell, RBI, Bengaluru and Department of Non-Banking Supervision, RBI, Mumbai as well as National Housing Bank, Department of Supervision, New Delhi. The investigation is currently pending. Our Company also initiated arbitration proceedings against the Borrowers, pursuant to which an arbitration award dated September 24, 2022, was passed which entitled Our Company to claim entire outstanding amount up to the date of termination of agreement. The matter is currently pending.

Against our Company

Our Company sanctioned a loan for an amount of ₹ 31.10 million as a loan to N. K. Proteins Limited ("**Borrower**") *vide* a loan agreement dated January 27, 2012, to purchase a property being flat number 1203, Tower B, 12 Floor, Bhagtani Krishaang, Powai, Mumbai ("**Suit Property**") from Jaycee Homes Limited. A no-objection certificate for mortgage of suit property dated January 23, 2012, was issued by Jaycee Homes Limited in favour of our Company. A notice dated August 26, 2013, was issued to the Borrower for recalling the total loan amount sanctioned to which no reply was received by our Company. Thereafter, a first information report dated September 30, 2013, was registered against the National Spot Exchange Limited, its borrowers and trading members including the Borrower. Pursuant to the investigation conducted by the Economic Offences Wing, Mumbai Police, ("**Authority**"), Enforcement Director, Government of India, Mumbai ("**ED**"), inter-alia attached the Suit Property being the proceeds of crime *vide* its provisional attachment order dated August 27, 2014, which was confirmed vide an order dated February 20, 2015 ("**Impugned Order**"). Our Company received a show cause notice ("**SCN**") dated September 30, 2014, issued by the Authority seeking confirmation of the provisional attachment through the Impugned Order. Subsequently, our Company filed a writ petition before the Delhi High Court ("**High Court**") against the Impugned Order and the SCN. The High Court granted a stay on the Impugned Order vide its interim order dated December 18, 2014, and directed to file a petition before the Bombay High Court. The Bombay High Court disposed the writ petition filed by our Company *vide* its order dated November 28, 2016, granting us liberty to approach the Appellate Tribunal, New Delhi ("**Tribunal**") under the Prevention of Money Laundering Act, 2002 ("Act"). Our Company filed an appeal dated January 5, 2017, before the Tribunal under Section 26 of PMLA for quashing of the Impugned Order passed by the Authority. The matter is currently pending.

(iii) **Regulatory matters involving our Company.**

1. Our Company received a show cause notice ("**SCN**") dated June 30, 2020, issued by the National Housing Bank ("**NHB**") seeking reasons as to why the penalty of ₹0.01 million in terms of the provisions of the National Housing Bank Act, 1987, should not be imposed on our Company inter alia for having non-adherence of certain policy circular. Our Company has submitted its reply on SCN on July 21, 2020. The NHB vide its email dated October 15, 2020, has sought for additional information. Our Company submitted its reply on October 19, 2020. No further information has been sought by the NHB.

2. Our Company received a show cause notice ("**SCN**") dated September 01, 2022, issued by Reserve Bank of India, Enforcement Department, Mumbai ("**RBI**") for alleged acts of omissions & non- compliance with the directions issued by RBI under the National Housing Bank Act, 1987 with respect to change in shareholding of Our Company and submits its reply before September 20, 2022. Our Company filed its reply dated September 19, 2022, within specified timeline and requested for personal hearing in the matter. In furtherance to the said Notice on shareholding, National Housing Bank **(NHB)** requested for certain documents vide email dated September 24, 2022 & October 10, 2022, with respect to reasons for change, relevant agreement etc. Accordingly, Our Company submitted its written reply vide email on October 10, 2022, and October 19, 2022, respectively. As requested by Our Company, RBI scheduled a personal hearing on February 21, 2023, however, same has been postponed and RBI re-scheduled the personal hearing, which was concluded on July 28, 2023. Further, RBI in exercise of its powers conferred under provisions of clause (b) of sub-section (1) of Section 52A read with clause (aa) of sub-section (3) of Section 49 of the National Housing Bank Act, 1987 has by an order dated September 13, 2023, imposed a monetary penalty of INR 0.15 million on Nido in the said matter. Our company has paid the said monetary penalty imposed by RBI, on September 17, 2023.

3. Nido received a show cause notice dated February 27, 2024 ("**SCN**"), issued by RBI, Enforcement Department, Mumbai for alleged acts of omissions and non-compliance with the directions issued by RBI in exercise of its powers under the National Housing Bank Act, 1987 with respect to the fair practices code and co-lending by banks and NBFCs to priority sector. Our Company submitted its reply to the SCN on March 18, 2024 and requested for in person hearing in the matter. The matter is currently pending.

(iv) Cases filed by the Company under Section 138 of the Negotiable Instruments Act, 1881

1. Our Company has filed 735 cases under Section 138 of the Negotiable Instruments Act, 1881, and under Section 25 of Payment and Settlement Systems Act, 2007 against their customers for dishonour of cheques. Further, in some of the cases, customers have filed appeals against our Company. These cases are currently pending across different courts in India.

2. Material litigation or legal or regulatory actions involving our Promoter as on the date of this Draft Prospectus:

(a) As on the date of this Draft Prospectus, following are material litigations in our Company:

(i) Civil Litigation

By our Promoters:

There are no outstanding civil proceedings by our Promoters as on the date of this Draft Prospectus.

Against our Promoters:

Other than as mentioned below and under "*Civil Litigation against EARC Trusts*", there are no other civil proceedings against Promoters.

1. Our Promoter, Edelweiss Financial Services Limited **("EFSL")** has been served with provisional attachment order dated May 18, 2020 ("**PAO**") from the office of the Enforcement Directorate, Jalandhar, under various provisions of PMLA against the immovable properties and investments of Kuldeep Singh, Vikram Seth and others for allegedly siphoning off about ₹213.10 million from Bank of Baroda, Phagwara Branch. It is revealed from PAO that certain non-performing asset were taken over by our group entity, Edelweiss Asset Reconstruction Company Limited **("EARC")** under assignment deed from State Bank of Patiala (now merged with State Bank of India) in its ordinary course of business. Our Promoter has been served with show cause notice dated July 10, 2020, from the Adjudicating Authority, PMLA, New Delhi **("Authority")**. Our Promoter has been served with show cause notice dated July 10, 2020, under Section 8 of PMLA *inter alia* inquiring about source of income, earning or assets by means of which our Company acquired attached property and directed to appear before the Adjudicating Authority, New Delhi along with supporting evidence/documents. On January 15, 2021, our Promoter submitted its application dated December 7, 2020, before Adjudicating Authority, PMLA and advanced submissions that it has been incorrectly arraigned in the present proceedings. EARC also filed its reply dated November 2, 2020, before the Authority on merit to decline confirmation of PAO. Upon noting the submission of EFSL, the Adjudicating Authority adjourned the matter for final arguments. The Authority vide its order dated December 28, 2021, confirmed the PAO against the proprieties under provisions of the PMLA Act and ordered to continue pending investigation. Being aggrieved, EARC preferred an Appeal being no. 4530 of 2022 before the Hon'ble Appellate Tribunal constituted under PMLA Act challenging said order and the same is pending for hearing. EARC also adopted further appropriate steps by way of appeal challenging the said order. The matter is currently pending.

(ii) Criminal Litigation

By our Promoters:

1. Our Promoter, EFSL *vide* its letter dated December 30, 2011 had filed a complaint under various sections of IPC, the IT Act, Trademark Act, 1999, and the Copyright Act, 1957 against Vaibhav Singh, Percept Profile, Harindra Singh, Shailendra Singh, Rajeev Mehrotra and unknown persons in relation to press release titled "*Edelweiss Asset Management Head Quits, to Start Own*", which was allegedly released by the aforesaid employees of Percept Profile on behalf of our Promoter. Our Promoter also moved a criminal

writ petition before Bombay High Court against the State of Maharashtra and others, praying *inter alia*, that the respondents or the Central Bureau of Investigation ("**CBI**") or any other agency be directed to register and investigate the aforesaid complaint dated December 30, 2011. The Bombay High Court *vide* its order dated July 23, 2012, directed the police to register a first information report on August 6, 2012 ("**FIR**"). Subsequently, Harindra Singh and Shailendra Singh filed a Criminal Application before the Bombay High Court praying *inter alia* for quashing the FIR. Further, Rajeev Mehrotra filed a criminal application before Bombay High Court *inter alia* praying for declaration that investigation under FIR is null and void and for staying further proceedings in the FIR. The Court, *vide* its order dated December 3, 2012, directed that a 72 hours' advance notice has to be given prior to any arrest of any of the accused in the case, so that appropriate remedy can be sought. The matter is currently pending.

2. Edelweiss Agri Value Chain Limited (now merged with ERCSL, our Promoter) registered FIR on September 19, 2017 in Jasdan Police Station, Rajkot against Mahendrabhai Gida-Guard, Ashokbhai Dhadhal- Gunman, Babubhai Bhayabhai Ramani, Sanjaybhai Khimjibhai, Shambhubhai Jivabhai Ramani, Mansukhbhai Khimjibhai Ramani, Ravjibhai Ramani, and Sanjaybhai Ramani (collectively the "**Accused**") under Sections 406, 409, 420, 435, 120B and 114 of IPC for committing intentional act of fire at warehouse. The Investigating office, Jasdan Police Station registered criminal case on August 6, 2019 before Taluka Court, Jasdan against accused and filed the charge-sheet. The matter is currently pending.

Against our Promoters:

1. Edelweiss Commodities Services Limited (formerly known as Comfort Project Limited/Edelweiss Trading and Holding Limited and now known as ERCSL) has been served with the notice dated February 15, 2019 from the Economic Offence Wing – National Spot Exchange Limited – Special Investigation Team, Mumbai ("**EOW**") issued under Section 91 of the CrPC *inter -alia* informing that department is investigating the offences registered against National Spot Exchange Limited, its directors, FTIL, its directors, borrowers, brokers and others for committing serval acts of forgery and criminal breach trust. Further, Economic Offences Wing is investigating complaint of SEBI against 300 brokers for illegal trading on National Spot Exchange Limited. ECS (now ERCSL) furnished all the information as called for by Economic Offences Wing. The matter is currently pending.

2. Our Promoter, ERCSL received a notice under Section 91 of Cr. PC on February 3, 2020 ("**Notice**") from a Senior Police Inspector, Turbhe, *inter -alia* directing ERCSL to produce all the original documents listed therein, in respect of the criminal case registered against ERCSL under sections 3, 7 and 8 of the Essential Commodities Act, 1955 and Maharashtra Scheduled Commodities Wholesale Dealers Licensing Order, 2015. The Notice emanates from a 2015 matter in which the Deputy Controller of Rationing, Civil Supply Department of Maharashtra ("**Authority**") issued show cause notices to ERCSL for alleged violation of applicable stock limits. Pursuant to the directions issued by the Authority, the ceased stock was released. Furthermore, ERCSL received a notice from the Office of the Deputy Commissioner of Police, Cyber Crime Cell/Economic Offences Wing ("**Police**") dated August 16, 2016, received by the Police, regarding alleged hoarding of pulses. All information sought by the authorities has been duly provided. The matter is currently pending with authorities.

3. The Deputy Controller of Rationing, Civil Supply Department of Maharashtra ("**Authority**") issued show cause notices dated October 23, 2015, October 30, 2015, October 31, 2015 and October 31, 2015 to our Promoter, ERCSL for violation of applicable stock limits on imported pulses under the Essential Commodities Act, 1955 ("**Act**") resulting in seizure of the stock stored at various warehouses by the Authority and registration of first information reports ("**FIR**") under the Act. ERCSL argued that the stock limits were not applicable to ERCSL as the stock was imported. Pursuant to the directions issued by the Authority, the ceased stock was released, subject to certain conditions. ERCSL, upon fulfilment of the specified conditions and execution of the undertakings, lifted and sold the released stock in open market and subsequently informed the Authority. The matter is currently pending with authorities.

4. Our Promoter, ERCSL received a notice from Office of the Deputy Commissioner of Police, Cyber Crime Cell / Economic Offences Wing ("**Police**") on August 16, 2016, in relation to a complaint received by the Police, regarding alleged cartelization and nexus of importers-traders causing artificial scarcity of pulses. No request for information or for personal appearance is pending to be complied with. The matter is currently pending with authorities.

5. Food Safety and Standards Authority of India filed a complaint before Additional Chief Judicial

Magistrate, Kasganj ("**the Court**") against erstwhile Edelweiss Agri Value Chain Limited (now merged with our Promoter, ERCSL) and Neeresh Kumar, an employee of ERCSL, for alleged violation of Section 31(1) of the Food Safety and Standards Act, 2006 for storing of commodities in warehouse without having Food Safety and Standards Authority of India ("**FSSAI**") license. The matter is currently pending with authorities.

(iii) Regulatory Proceedings involving our Promoters:

1. EFSL (ought to have been ECL Finance Limited) has been served with a notice dated February 16, 2022 ("**Notice**") issued by Member Secretary, Micro and Small Enterprises Facilitation Council, MMR Region, Mumbai inter-alia informing that one M/s. Pagdandi Marketing Solutions Private Limited ("**Complainant**"), the complainant has filed a petition on Samadhan Portal under Section 18(1) of Micro Small Medium Enterprises Development Act, 2006. The Complainant, being channel partner of ECL Finance Limited for sourcing equipment and mortgaged finance, alleged against ECL Finance Limited for non-payment of commission / invoice amounting to ₹ 2.36 million along with interest of ₹ 2.30 million aggregating to ₹ 4.66 million for processing of loan business. Our Company filed its application dated July 07, 2022, challenging maintainability of the captioned petition on merit alongwith copy of criminal complaint filed against the directors of the Complainant. The Petition is pending for hearing.

2. Edelweiss Commodities Services Limited (now known as ERCSL") has been served with a letter from the Enforcement Directorate ('**ED**") on August 26, 2016, concerning an enquiry for an alleged violation of the provisions of the Foreign Exchange Management Act, 1999 in relation to import of pulses by commodities importer and advised to produce certain details like memorandum of association, annual report/balance sheet, bank accounts and details of pulses import since 2011. ERCSL duly complied with the requisitions in September 2016. ERCSL also furnished with additional information about the pulses business – listing of all suppliers, imports, local sales, bank statements, warehousing details and other information with last such request for information in June 2021. Personal appearances of the ERCSL's executives were sought and the same have been complied with. A show cause notice was issued by the authorities to the company and the then directors/key executives in this matter in August 2021 and the same has been responded in December 2021. Mr Venkat Ramaswamy & Mr Rujan Panjwani, both Executive Directors, EFSL, received the said notice in their capacity as directors in ERCSL. No further information has been sought by the office of ED and the matter is pending before the authorities since then**.**

(iv) Cases filed by the Company under Section 138 of the Negotiable Instruments Act, 1881

Our Promotors have filed numerous cases under Section 138 of the Negotiable Instruments Act, 1881, against their customers for dishonour of cheques. Further, in some of the cases, customers have filed appeal against our Promotors. These cases are currently pending across different courts in India.

3. Material litigations involving our Directors as on the date of this Draft Prospectus:

(a) As on the date of this Draft Prospectus, following are material litigations in our Company:

(i) Civil Litigation

There are no outstanding civil proceedings involving our Directors as on the date of this Draft Prospectus.

(ii) Criminal Litigation

There are no outstanding criminal proceedings involving our Directors as on the date of this Draft Prospectus.

(iii) Regulatory Proceedings

There are no outstanding regulatory proceedings involving our Directors as on the date of this Draft Prospectus.

4. Material litigation or legal or regulatory actions involving our Group Companies as on the date of this Draft Prospectus

Except as disclosed below there are no material outstanding civil proceedings, criminal proceedings or regulatory proceedings involving our group companies.

a) Edelweiss Asset Reconstruction Company Limited ("EARC") and its Trust

Civil Litigation by EARC Trusts

IDFC First Bank Limited (Assignor bank and applicant in the original application) filed an application in DRT-Hyderabad against Coastal Projects Limited, and others for recovery of the debt amount from defaulter, Coastal Projects Limited amounting to ₹2,382.76 million. EARC has acquired the debts pertaining to Coastal Projects Limited from IDFC Bank Limited *vide* Assignment Agreement dated August 24, 2018, under EARC Trust SC 341. After assignment of debts, EARC, acting in its capacity of trustee has filed an application for impleadment as an applicant, in its capacity as assignee, in the original application ("**OA**") filed by IDFC Bank Limited in DRT Hyderabad, which was allowed by DRT-Hyderabad.

Defendants also filed their counter claim of about ₹2,390 million against the Assignor Bank on the ground that Bank, which was holding 3,385,939 shares of the defendant company in security, have liquidated at much lower price of about ₹670 million without any notice to the defendants. Defendants alleged that the liquidation is in violation of the provisions of the agreement executed between the Bank and the Defendants and the Assignor bank ought to have realized ₹3,510 million upon liquidation of securities.

Since the corporate debtor (i.e., Coastal Projects Limited) have undergone liquidation under the Insolvency and Bankruptcy Code, 2016, EARC, acting in its capacity of trustee, had filed an interim application for bringing on record the liquidator. The said interim application for bringing on record the liquidator has been allowed. On July 03, 2023, EARC Trusts made an interim application for secondary evidence, which was recorded. The matter is currently pending for hearing of the original application and the interim application.

Civil Litigation against EARC Trusts

Other than as *mentioned* below *and under "Material litigation or legal or regulatory actions involving our Group Companies-Civil proceedings against ECL Finance",* there are no *other* civil proceedings *against EARC or EARC Trusts*.

1. Winsome Yarns Limited, the Plaintiffs have filed a Civil Suit being No. 444 of 2020 before Civil Judge (Junior Division), Ludhiana against the State of Punjab and EARC inter alia for declaration that the assignment agreement dated December 10, 2015 executed between Punjab National Bank ("**PNB**") and EARC Trust SC 168 for the exposure of Winsome Yarns Ltd should not be relied upon by any legal forum. The purchase consideration of the assignment agreement executed between PNB and EARC Trust SC 168, is amounting to about ₹ 479.5 million. On February 13, 2020, EARC, acting in its capacity of trustee, filed its written statement and filed an application under order 7 Rule 10 of CPC for return of plaint consequent upon misjoinder of cause of actions. On February 24, 2020, the Plaintiffs filed its reply to said application. The matter is currently pending for hearing.

   Winsome Yarns Limited, has filed a Petition being Miscellaneous Application No. 24 of 2020 before the Court of Chief Controlling Revenue Authority-cum-Financial Commissioner (Revenue) Punjab, Chandigarh ("**CCRA**") inter-alia praying for an order that EARC, in its capacity as Trustee be directed not to act upon the assignment agreement dated December 10, 2015 executed between PNB and EARC Trust for want of paying requisite stamp duty before any lawful authority including DRT/NCLT, Chandigarh etc. CCRA vide its interim order dated February 03, 2020 passed an order to issue notice to District Collector, Ludhiana to submit certified copy of the assignment agreement dated December 10, 2015 and to submit his opinion on quantum of stamp duty, if any payable and if so, by which party. CCRA further passed an order to issue notice to EARC, acting in its capacity as trustee, for appearance before CCRA and to contest the stamp duty liability amounting to about ₹14.59 million and interest, if any. On February 19, 2020 EARC, acting in its capacity as trustee, entered its appearance, however on account of pandemic Covid-19, matter adjourned from time to time. On October 07, 2020 EARC, acting in its capacity as trustee, filed its reply and an application for maintainability of miscellaneous application, which was rejected by CCRA. CCRA vide its Order dated December 18, 2020 held that Financial Commissioner has the jurisdiction to adjudicate the Miscellaneous Application No. 24 of 2020 and is maintainable for final adjudication. Miscellaneous Application is pending for final adjudication.

   In the meantime, EARC, acting in its capacity as trustee, filed a Civil Writ Petition being No. 13346 of 2020 before the High Court at Punjab & Haryana against (i) State of Punjab through CCRA, Punjab, Deputy Commissioner, Ludhiana and (iii) Joint Sub Registrar cum Naib Tehsildar, Mullanpur Dhakan, Ludhiana *inter-*

alia challenging the ex-parte interim order dated February 03, 2020 passed by CCRA.

Winsome Yarns Limited, filed an application before the Hon'ble High Court to become a party in Civil Writ Petition filed by EARC Trust, which was allowed by the Court vide its Order dated November 05, 2020 with the observations that Winsome Yarns Limited shall assist the Court on the legal aspect of payment of stamp duty. On December 07, 2020, the Hon'ble High Court observed that the CCRA would dispose of the pending application of EARC qua maintainability and pass an appropriate order thereon in accordance with Law. The said Writ Petition was disposed off vide order dated October 26, 2021, wherein the Hon'ble High Court of Punjab and Haryana, while allowing said petitions has set aside impugned orders in all the Petitions and the consequence of the same is that EARC Trust no longer has any stamp duty liability as on date. Being aggrieved, Winsome Yarns Limited and State of Punjab preferred an Appeals against the said order dated October 26, 2021, before Division Bench of Punjab and Haryana High Court. The matter is currently pending before Hon'ble High Court of Punjab and Haryana. and CCRA.

2. SAM Family Trust and AHA Holdings Private Limited **("Applicants")** have filed Securitization Applications being Dairy Nos. 1260 of 2021 and 1261 of 2021 respectively along with Applications for Interim stay before the Debt Recovery Tribunal, Pune **("DRT")** on November 21, 2021 against Catalyst Trusteeship Limited, EARC Trust SC 384, ECL Finance, Smaaash Entertainment Private Limited **("Smaaash")** and resident Naib Tahsildar, Mahul (**"Defendants**") *inter -alia* challenging demand notice dated July 3, 2020 for ₹ 2689.37 million issued by Defendant No. 1, under sub-section (2) of Section 13 of SARFAESI Act, 2002, notice dated October 25, 2021 to take physical possession mortgaged assets located at Village Kunenama, Taluka , Maval, District Pune in pursuance of Order dated June 29, 2021 passed by the Additional District Collector, Pune. Applicants alleged the classification of NCD account of Defendant Smaaash as NPA for non-payment of interest is contrary to RBI guidelines. Furthermore, alleged assignment agreement dated June 28, 2019, executed by ECL Finance in favour of EARC Trust SC 384 assigning the benefits of NCDs is contrary to regulatory framework of SARFAESI Act, 2002, the SARFAESI Guidelines, 2003 and various guidelines/circulars/directions issued by the RBI. Two appeals were filed against the DRT order allowing the securitisation application before the Debt Recovery Appellate Tribunal ("**DRAT**). The DRAT, vide order dated June 3, 2022, stayed the DRT order. Further, DRAT has passed an order to maintain status quo of the property being adjudicated vide its order dated June 27, 2022. DART, Mumbai by its order dated November 11, 2022, stayed the operation of impugned order of DRT, Pune. The matter is pending.

3. GVK Energy and others ("**Plaintiffs**") have filed a suit before Delhi High Court for declaration and permanent injunction on the sale of shares of Alaknanda Hydro Power Company Limited ("**Alaknanda**") against ECL Finance, Ecap Equities Limited (now, ECap Securities and Investments Limited), Edelweiss Finvest Limited (now merged with Edel Finance Company Limited), Edelweiss Asset Reconstruction Company Ltd. (EARC Trust SC 429) (pursuant to assignment agreement dated March 18, 2021) and others ("**Defendants**"). The Plaintiffs had taken various loans which were secured by way of pledge of shares. The Plaintiffs committed default in repayment of loans and a settlement agreement was entered into, and thereafter an extension vide letter dated June 18, 2021, was also grated, however Plaintiffs defaulted in payments. After the default, ECL one of the Defendants in the suit invoked the shares which led to the filing of the present suit by the Plaintiffs, whereby. They have prayed for reliefs including stay on the operation of the invocation notice dated May 17, 2022, pertaining to the pledge agreement and maintenance of status quo of the shares of the plaintiff and the security interest under the settlement agreement. ECL Finance submitted that they are in process of selling the shares. The Delhi High Court, vide order dated May 31, 2022, has asked ECL to intimate the Court and for the Plaintiffs of any good offers once received for sale of shares. In the event the Plaintiffs are unable to match the offer of the Defendants, the Defendants would be eligible to sell the said shares at the best offer received by them. Further, it was ordered that the defendants shall not sell any other shares that have been pledged by the Plaintiffs with the Defendants until the impugned shares are sold. However, it was clarified that the defendants shall be free to invoke the pledged shares. The Plaintiffs have filed another interim application no. 9762/2022 ("**Interim Application**"), seeking restraining order against defendants for taking any action on the demand notices issued by them. EARC has filed its written statement and its reply to the Interim Application on September 14, 2022. Subsequently, EARC sanctioned a settlement proposal dated October 9, 2023. However, plaintiffs have defaulted in making payment as per the terms of the settlement hence the settlement is revoked by the EARC. The matter is listed on July 9, 2024 for further consideration.

Criminal Litigation by EARC Trusts

Catalyst Trusteeship Limited ("**Debenture Trustee**"), on behalf of EARC Trust ("**Debenture Holder**") filed a criminal case on May 24, 2019, before the Metropolitan Magistrate's 28th Court ("**MMC**"), Esplanade, Mumbai (the "**Court**"), against Smaaash Entertainment Limited and its directors and officials (collectively referred to as "**Accused**") under Section 138 read with Section 141 of the Negotiable Instrument Act, 1881. The Accused issued and delivered a cheque for an amount of ₹1,120 million drawn on HDFC Bank, Mumbai in favour of EARC Trust towards its liabilities in respect of non-convertible debentures. The said cheque was dishonoured on its presentation vide its order July 31, 2019. The Court issued summons against the Accused under Section 138 of Negotiable Instrument Act, 1881. Summons and warrant service reports awaited. The matter is currently pending.

Civil litigation filed by EARC:

There are no outstanding civil litigations filed by EARC.

Criminal Litigation against EARC

1. EARC acquired the Portfolio of 27 assets in March 2014 including the accounts of the Perfect group consisting of (i) Perfect Engineering Products Limited; (ii) Perfect Engine Components Private Limited; and (iii) Karla Engine Components Limited from State Bank of India.

   Post-acquisition, the promoters of Perfect Group approached EARC to restructure the dues of the Perfect Group accounts. The promoters introduced, the Chhatwal brothers ("**Investors**"), including Hitesh Chhatwal to EARC as strategic investors who were purportedly willing to make an equity infusion into the Perfect Group companies and provide working capital support. EARC approved the restructuring proposal/plan of Perfect Group companies on the basis of various representations made by the Promoters and the Investors.

   The Perfect Group companies failed to comply with the terms and conditions of the restructuring plan and EARC was compelled to revoke the same in 2016 and in 2018. EARC thereafter decided to move towards recovery from secured assets in accordance with law. Thereafter, we received letter dated February 26, 2019 that there was a complaint filed by the Hitesh Chatwal (one of the Investors) with Economic Offences Wing against the Promoters of Perfect Group and EARC. Subsequently, the said complaint was closed by Economic Offences Wing after investigations.

   EARC once again, received letter dated January 18, 2020 from inspector of Police G.C III, Economic Offences Wing Mumbai directing officials of EARC to attend his office regarding fresh complaint filed by Hitesh Chatwal in January 2020 along with the supporting documents namely, due diligence of Perfect Group Companies, ledger book maintained for business between Edelweiss and Perfect Group, balance sheet reports of Perfect Group between the Fiscal 2015 to Fiscal 2018. Our Officials recorded their statements in the matter and there is no further communication from Economic Offences Wing since April 2020.

2. The Enforcement Director attached the Orissa plant of Bhushan Power and Steel Limited ("BPSL") in October 2019 while BPSL was in Corporate Insolvency Resolution Process ("CIRP") under Insolvency and Bankruptcy Code, 2016 ("IBC"). The charge over the plant was given to certain financial institutions in a consortium for the financial facilities extended to BPSL. EARC is a part of that consortium. The matter has been filed before Supreme Court of India by Committee of Creditors ("CoC") through Punjab National Bank, seeking clarification on retrospective applicability of Section 32A under IBC. The matter is currently pending.

3. EARC acquired the debts of the borrower, ND's Art World Private Limited along with its underlying securities, rights, interest and title from CFM Asset Reconstruction Private Limited ("**CFM ARC**") vide assignment agreement dated December 31, 2022. Various proceedings were instituted by CFM ARC under the SARFAESI Act, IBC and section 138 of the Negotiable Instruments Act, 1881. The National Company Law Tribunal, Mumbai bench in passed the order for the IBC petition on July 25, 2023. Thereafter, Late Shri Nitin C. Desai filed an appeal in National Company Law Appellate Tribunal, Principal Bench, New Delhi ("**NCLAT**"). The same was dismissed by Hon'ble NCLAT on August 1, 2023. Thereafter, we found out about the sad demise of Late Shri Nitin C. Desai on August 2, 2023. An FIR dated August 4, 2023, was filed by Neha Nitin Desai, which was instituted against 5 people including Rashesh Shah (Chairman, Edelweiss group), R.K. Bansal (Managing Director and Chief Executive Officer of EARC), Keyur Mehta (employee of EAAA), Smit Shah (employee of ECL Finance) and Jitendra Kothari (interim resolution professional appointed by the Hon'ble NCLT *vide* order dated July 25, 2023). A petition under Section 482 of the CrPC, for quashing the abovementioned FIR was filed by the abovementioned individuals on August 07, 2023 before the Hon'ble Bombay High Court. The Hon'ble Bombay High Court *vide* its order dated August 11, 2023 had issued notices to all parties. The matter was last heard on September 29, 2023 and next date of hearing yet to be notified.

Criminal proceedings against EARC Trust

There are no outstanding criminal proceedings against EARC Trust.

Regulatory matters against EARC

On March 22, 2021, Edelweiss Asset Reconstruction Company Limited ("**EARC**") received, MCA letter dated March 18, 2021, regarding inspection of the books of accounts and other books and papers of EARC under Section 206(5) of the Companies Act, 2013. EARC has furnished all the required documents and information to MCA in April 2021. Further at the request of MCA, EARC re-submitted documents on December 03, 2021. MCA by its Letter dated November 1, 2022, informed EARC to provide its comments and reply to the letter dated October 15, 2022, addressed by Paras Kuhad **("Kuhad Letter")** to the MCA. In the Kuhad Letter, Paras Kuhad has requested MCA to provide him with the response given by the Company along with the documents furnished in support thereof, and all other information/ documents which have come into the possession of MCA pursuant to the inspection of books initiated in March 2021. EARC vide its letter dated November 25, 2022 furnished its comments as requested by the MCA. Subsequently, EARC received another letter from MCA dated July 25, 2023 in relation to issuance of preference shares, pledge of SRs in relation to issuance of secured NCDs, acquisition of loans from group companies, clarification in relation to certain provisions Companies Act and Ind-AS, and payment of remuneration to statutory auditors. EARC has submitted its detailed response and clarifications to MCA vide letter dated September 14, 2023.

(b) Edelweiss Investment Adviser Limited ("EIAL")

a. Civil Litigation by EIAL

i. EIAL ("**Plaintiff**") filed commercial Civil Suit (COMM) bearing No. 397 of 2020 before the Delhi High Court ("**DHC**") against Lily Realty Private Limited and another ("Defendants"), *inter-alia,* seeking a decree of specific performance of the Memorandum of Understanding dated October 29, 2015 ("MOU") and repayment of a sum of ₹ 103.32 million along with the pendente lite and future interest @ 28.25% per annum from the date of filing of the suit. EIAL has also sought a permanent injunction restraining the Defendants, agents etc. from creating any third-party rights on any movable and immovable assets of the Defendants. DHC, by its order dated September 29, 2020 restrained Defendant No.2 from creating any charge or liability on the three flats specified in the order. Further, by its order dated April 9, 2021, DHC has restrained the Defendants from selling or encumbering all their immovable properties till further orders. The matter is currently pending.

b. Civil Litigation against EIAL

i. Ecstasy Realty Private Limited & Shobhit J Rajan ("**Plaintiffs**") have filed a Commercial Suit being No. COMS/200 of 2022 on June 28, 2022 before Bombay High Court against i) Catalyst Trusteeship Private Limited, ii) ECL Finance Limited, iii) Edelweiss Investment Adviser Limited and iv) Edelweiss Rural and Corporate Services Limited ("**Defendants**") for specific performance inter-alia directing the Plaintiff No. 1 to perform its obligation under Debenture Trust Deed dated March 27, 2018 ("**DTD**") & its subsequent amendments vide its two emails dated March 16, 2022 and March 23 2022 and further declaration that the Defendants are not entitled to any repayment from the Plaintiffs under DTD as amended till September 2023. The Plaintiff further prayed for an order and decree against the Defendants to pay by way of damages namely, i) INR. 6711 million against the Catalyst Trusteeship Private Limited for unilaterally increasing interest rate under the issued NCD & failure to release security over additional property under terms of DTD, ii) aggregate INR 2870 million against the Defendant No. 2 inter-alia for having failure to disburse ₹ 109.80 million under unsecured loan agreement dated August 24, 2018, for having sold 11 flats in Project 1 at a under value, for failure to timely release of funds for IOD fees & for compensation for its failure to release towards purchase of 5 flats under sale agreement dated December 31, 2019, iii) ₹ 528 million for having failure to disburse ₹ 240 million, and iv) ₹ 158.70 million against all Defendants towards excess processing fees. The Plaintiffs further prayed for an interest on each of the above amounts at the rate of 18% from the date of filing of the present suit till payment.

It is a Plaintiffs case of usurpation of Project land located at Four Bungalows, Andheri by the Defendants is in excess of ₹ 16,000 million and thereby causes damages amounting to ₹ 3594 million as detailed in Particulars of claim. Defendants have filed their respective defence statements. The

Hon’ble High Court of Bombay vide its order dated September 13, 2022 (“**Impugned Order**”) rejected the interim applications being no. 3618 of 2022 and 25486 of 2022 filed by the Plaintiffs seeking to restrain the Defendants from acting in breach of the amendments to the DTD. Being aggrieved by this, the Plaintiffs filed an appeal dated September 27, 2022, being (lodging) no. COMAP/31058 of 2022 before the Hon’ble High Court of Bombay to set aside the Impugned Order. The matter is currently pending. The Hon’ble Court vide its order dated September 08, 2023, disposed of an appeal preferred against Impugned Order without any orders. The matter is currently pending.

c. Criminal Litigation by EIAL

Nil

d. Criminal Litigation against EIAL

Nil

(c) ECL Finance Limited (“ECL Finance”)

a. <u>Civil proceedings filed by ECL Finance</u>

i. Pursuant to the Facility Agreement dated September 22, 2017 (“**Facility Agreement**”) executed by and between (i) Saha Infratech Private Limited (“**Principal Borrower**”), (ii) Abet Buildcon Private Limited, (iii) Elicit Realtech Private Limited, (iv) Kalpataru Housing Private Limited, (v) Green Space Agro–Ventures Private Limited, (vi) Palm Developers Private Limited (“**Obligors/Corporate Debtors**”) and ECL Finance (“**Lender**”), ECL Finance has granted the revolving credit facility to the Borrowers to the maximum extent of INR 900 million for the general corporate purpose. In furtherance to the terms of the Facility Agreement the Corporate Debtors including Obligor/Corporate Debtor Palm Developers Private Limited executed the Corporate Guarantee dated September 22, 2017 in favor of ECL Finance extending its obligations in making payment in the event of any default on part of the Principal Borrower under the Facility Agreement.

ii. The Principal Borrower committed various defaults In payment of principal, Interest & other monies and also in observance & performance of the other conditions of the Facility Agreement. ECL Finance vide its communications dated April 2, 2019 and September 26, 2019 pointed the defaults committed by the Principal Borrower and/or the Obligor/Corporate Debtor under the Facility Agreement.

iii. On January 27, 2020, the National Company Law Tribunal (“**NCLT**”), Bench – II New Delhi admitted the Corporate Insolvency Resolution Plan (“**CIRP**”) filed by Ram Niwas and Sons, the petitioner under Company Petition (IB) – 894 (ND) 2019 against the Obligor/Corporate Debtor (“**Company Petition**”). Pursuant to the public announcement made by the Interim Resolution Professional (“**IRP**”), ECL Finance, as a lender submitted its Form C showing default from the year 2017 and claiming an approximate amount of INR 1269.69 million against the principal outstanding and interest due and payable as on January 27, 2020 and IDBI Trusteeship Services Limited as Debenture Trustee. On February 20, 2020, IRP constituted Committee of Creditors (“**COC**”) and ECL Finance was duly made member thereof.

iv. One Abhinav Mukherji having 1.38% voting share filed Interim Application being IA no. 1610 of 2020 in Company Petition challenging the constitution of COC. The NCLT vide its Order February 20, 2020, directed erstwhile IRP to restrain from holding meeting of COC till constitution of COC is ascertained. ECL Finance filed its detailed reply on September 18, 2020 opposing the said application and placing on record all relevant documents. On September 23, 2020, ECL Finance filed IA no. 4130 of 2020 seeking substitution of Appellant no. 2 namely Assets Care & Reconstruction Enterprises Limited (“**ACRE**”) in place of Appellant no. 1 in IA no. 1610 of 2020 in view of the Assignment of Loan by ECL Finance to ACRE pursuant to Deed of Assignment dated March 27, 2020. NCLT vide its Order dated March 14, 2022 allowed the IA no. 1610 of 2020 and held that ECL Finance is not a Financial Creditor to the Corporate Debtor namely Palm Developers Private Limited. NCLT also dismissed IA no. 4130 of 2020. Being aggrieved against the said Order and Judgement, ECL Finance filed Company Appeal (AT) (Insolvency) 358 of 2022 before NCLAT, New Delhi. By an Oder dated July 12, 2022, NCLAT dismissed the said Appeal. Being aggrieved ECL Finance has filed an Appeal being No. 6268 of 2022 against order passed by the NCLAT before the Hon’ble Supreme Court of

India. The Hon'ble Court by its order dated September 12, 2022 directed to issue notice in the matter and to maintain status quo until further orders. The matter is currently pending.

b. <u>Civil proceedings against ECL Finance</u>

Other than as mentioned below and under *"Material litigations or legal or regulatory actions involving our group companies-Civil proceedings against EARC", and "Material litigations or legal or regulatory actions involving our group companies-Civil proceedings against EIAL",* there are no other civil proceedings filed against ECL Finance.

i. ECL Finance granted secured credit facilities to Fortis Healthcare Holdings Private Limited **("Fortis Holdings")** and RHC Holdings Private Limited **("RHC Holdings")** during 2016 to 2018 amounting to about ₹4200 million against, *inter alia*, the pledge of certain equity shares of Fortis Healthcare Ltd. **("Fortis')** by Fortis Holdings as security towards repayment of loan amount (Fortis and RHC Holdings collectively referred to as the **("Borrowers").**

Daiichi Sankyo Company Limited **("Daiichi"),** a creditor has obtained an arbitration award dated April 29 & 30, 2016 against Malvinder Singh and Shivendra Singh, promoters of Fortis and RHC Holdings and others **("Respondents")** in Singapore whereby Daiichi was held entitled to receive ₹ 35000 million approximately from Respondents. Daiichi thereafter filed proceeding in Delhi High Court for enforcement of said award by way of execution Petition being OMP (EFA) (COMM.) No. 6 of 2016. During the proceedings before Delhi High Court, the Promoters and some of their companies had given certain undertakings and subsequently Delhi High court restraint them from pledging their respective shareholding in Fortis and other Companies. These proceedings happened during the period ECL Finance lent and advanced the loans to the Borrowers. Daiichi filed SLP No. 20417/2017 before Hon'ble Supreme Court against the Respondents. Hon'ble Supreme Courts vide its Order dated August 11, 2017 directed the Respondents to maintain status qua with respect to shareholding of Fortis. Hon'ble Supreme Court vide its order dated August 31, 2017 clarified that the interim order dated August 11, 2017 also apply to the encumbered shares of Fortis. ECL Finance being one of the secured creditors, as aggrieved from aforesaid orders, filed application for intervention no. 98913 of 2017 and application for directions being IA No. 98915 of 2017 before Hon'ble Supreme Court. Other secured creditors also filed similar applications. While disposing of the said applications of the secured creditors including that of ECL Finance Hon'ble Supreme Court on February 15, 2018 allowed the applications of the secured creditors and passed an order *inter -alia* clarifying that interim orders dated August 11, 2017 and August 31, 2017 to mean that the status quo granted shall not apply to shares of Fortis Healthcare Limited held by Fortis Healthcare Holdings Private Limited as may have been encumbered on or before the interim orders of this Court dated August 11, 2017 and August 31, 2017.

ECL Finance thereafter, during the period from February 16, 2018 and February 26, 2018 sold 3,27,75,000 shares of Fortis pledged by Fortis Holdings as security for the loans to recover its dues.

Subsequently Daiichi filed a Contempt Petition I No. 2120/2018 in the SLP I No. 20417/2017 before the Hon'ble Supreme Court of India ("**Court**"), against Indiabulls Housing Finance Limited ("**Indiabulls**") for violation of order dated August 11, 2017, and August 31, 2017, wherein Indiabulls was found guilty and directed to deposit the amount. ECL Finance was not a party to the contempt proceedings. *Suo motu* contempt proceedings were initiated by the Court in 2019 under Suo Motu Contempt Petition I No. 4 of 2019 and the Court vide Order dated February 18, 2021, directed all the banks / financial institutions to file an affidavit bringing on record the entire transactions and to inspect whether any violation of undertakings / status quo orders had taken place. ECL Finance filed the affidavit in compliance of this order. The Hon'ble Court vide its Order dated September 22, 2022, disposed of Suo Motu Contempt Petition (C) No. 4 of 2019 *inter-alia* with a direction to the High Court, before whom the proceedings in execution are pending, to consider appointment of forensic auditor(s) to analyse the transactions entered into by the banks and financial institutions and to look into whether such transactions were bona fide and entered into in commercial expediency.

In the interim, Daiichi has moved Execution Application No. 819 of 2020 before Delhi High Court against the Promoters, various Banks and Financial Institutions including ECL Finance, in whose favour the shares of Fortis were pledged by the Promoters and their Companies. Daiichi has claimed that the Promoters and their Companies had created pledge in violation of the undertakings given and order passed by the Delhi High Court. Daiichi has prayed for declaring the pledge as void and alternatively if the pledged shares are already sold then direction to Banks and NBFCs to deposit/refund the shares price of sold shares. Daiichi *inter -alia* prayed before the hon'ble Delhi High Court to either pass an order directing ECL Finance to set aside the creation of pledge on 3,09,55,000 Fortis Healthcare Limited shares held by Fortis Healthcare Holdings Private Limited ("**Shares**") and pass a consequential order of attachment and sale of such shares, or to direct ECL Finance to deposit a sum equivalent to the value of Shares as on June 21, 2017 before the hon'ble Delhi High Court. On December 18, 2020 ECL Finance filed its counter reply before the Delhi High Court. Daiichi has filed an application before Delhi High Court for appointment of forensic auditor(s) to analyse the transactions entered into by the banks and financial institutions and to look into whether such transactions were bona fide and entered into in commercial expediency. ECL Finance has filed its reply to the said application. The matter is pending.

ii. Max Ventures Investment Holdings Private Limited, the Plaintiffs have filed a Civil Suit (Commercial) being No. 868 of 2022 alongwith applications for interim reliefs before Delhi High Court against the Defendants, (i) Catalyst Trusteeship Limited, the Debenture Trustee, (ii) ECL Finance Limited, a Debenture holder, (iii) ESOP III Investment Fund, a Debenture holder, (iv) Edelweiss Broking Limited (now known as Nuvama Wealth and Investment Limited), the Depository, and (v) Nuvama Wealth Management Limited, a broker of Debenture holders, inter-alia seeking urgent declaratory reliefs against the Defendants on account of sale of shares of INR 5.40 million (ought to be 54,00,000 shares) by the Defendants of Max Financial Services Limited ("MFSL") pledged by the Plaintiffs in favour of the Debenture Trustee (D1) pursuant to the Pledge Agreement dated March 07, 2021 ("**Pledge Agreement**") and recall notice dated November 17, 2022 as illegal and /or invalid and reliefs in the nature of Damages for fundamental breach of the terms of the Pledge Agreement, which are to be quantified at a subsequent stage. The Plaintiffs also filed an application under Section 154 of Code of Civil Procedure, 1908 for grant of injunction against any precipitative action arising from the Debenture Trust Deed ("**DTA**"), Pledge Agreement and Recall Notice dated or any other agreement, restraining credit information agencies from identifying a default regarding DTD, Pledge Agreement and Recall Notice and for other reliefs more particularly mentioned in the said application.

    It is a Defendants' case that Defendant No. 2 and 3 invested into NCD's aggregating to INR 4000 million issued by the Plaintiffs, which were secured by listed shares of MFSL. Upon commission of default of the terms of the DTD, entire NCDs were recalled and sold after invoking pledge. The Defendants 2 and 3 have already issued no due certificate to the plaintiff. The matter is pending.

iii. Shripal Morakhia & others filed a commercial suit bearing diary no. 354/2022 on October 19, 2022 ("**Commercial Suit**") in Bombay High Court against EARC, ECL Finance, Catalyst Trusteeship Limited and Smaaash Entertainment Private Limited ("**Smaaash**") for the specific performance of the settlement emails addressed by Shripal Morakhia' to EARC with regards to settling the dues for the non-convertible debentures issued by Smaaash amounting to INR 2800 million ("**Smaash NCDs**"). ECL Finance was the original debenture holder of the Smaash NCDs and the account being Non- Performing Asset ("**NPA")**, the said non-convertible debentures were transferred/assigned to EARC vide deed of assignment dated June 28, 2019 along with all rights, liabilities and obligations. EARC and ECL Finance have filed their reply to the commercial suit. The matter is currently pending.

iv. ECL Finance and NWIL have been served with the writ petition bearing (stamp) no. 6589 of 2021 along with summons filed by Yes Bank AT1 Bondholders Associations (398 bondholders) before the Bombay High Court against RBI & 15 others including union of India, SEBI, Yes Bank, CDSL, BSE inter alia seeking to quash and set aside the impugned letters dated March 14, 2020 and March 17, 2020 of Yes bank as it pertains to write off of Yes Bank AT1 Bonds holding of the individual retail investor and made a claim of ₹ 1,600 million against Yes Bank ("**Writ Petition**"). ECL Finance & NWIL, have also been made a party as Respondent no. 11 and 15 respectively. Petitioner also filed an application for interim relief against ECL Finance and NWIL, inter alia for orders against the Directors and Promoters of NWIL and ECL Finance not to leave India, during the pendency of the proceeding. The Hon'ble High Court of Bombay vide its order dated October 20, 2022, pronounced on January 20, 2023, disposed of the Writ Petition and held that the impugned letter dated March 14, 2020 and the decision to write off AT-1 bonds are quashed and set aside ("Order"). Being aggrieved by the Order Yes Bank has filed special leave petition being nos. 4244 – 4253 of 2023 before the Hon'ble Supreme Court of India seeking special leave to appeal against the Order and interim relief by stay on the effect and operation of the Order. Additionally, RBI also filed a petition for special leave to appeal (civil) no(s). 3856-3865 of 2023, dated February 11, 2023, before the Hon'ble Supreme Court of India against the Order stating that the Order constituted an erroneous exercise of writ jurisdiction by the High Court of Bombay. Thereafter, the Hon'ble Supreme Court of India vide its order dated March 03, 2023 inter alia extended the stay granted by the High Court of Bombay for the operation of the Order pending further orders. The matter is currently pending.

c. **Criminal proceedings by ECL Finance**

i. A criminal complaint filed by ECL Finance against Prakash Patel, Kalpesh Padhya, Vyomesh Trivedi and Gaurav Davda (together referred to as "**Accused No. 1**") before the Joint Commissioner of Police, Economic Offences Wing, Unit – V, Crime Branch, Mumbai ("**EOW**") for criminal breach of trust and cheating amounting to ₹ 82.9 million. During the investigation, one more person, Mukesh Kanani was impleaded as an accused ("**Accused No. 2**"). FIR was registered against the Accused No. 1 and 2 for an offence under Section 420 and Section 34 of Indian Penal Code, 1860. EOW filed charge sheet against both the accused. The matter is currently pending.

ii. ECL Finance has filed a criminal complaint before the BKC police station, Bandra against Mahesh Chavan, proprietor of Global Overseas, Kaushal *alias* Renu Menon, Deepali, Sandeep Kelkar and Rohit Paranjape, Deodhar Gholat ("**Accused**") for committing an act of cheating with respect to purchase of a car, for ECL Finance's employee, Ram Yadav. Subsequently, a first information report dated December 2, 2014 ("**FIR**") was filed with the BKC Police station for procurement of documents. The police filed a case on January 27, 2015 before the 9th Metropolitan Magistrate Court at Bandra ("**Court**"). The matter is currently pending.

iii. ECL Finance, pursuant to the requirements under an RBI circular (No. RBI/2015-16/75DBS.CO.CFMC.BC. No. 1/23.04.001/2015-16) dated July 1, 2015, reported an instance of suspected fraud by its customer Shridhar Udhavrao Kolpe and Saraswati Bhimrao Shinde ("**Borrowers**") under the requisite form to RBI on July 7, 2016. The Borrowers were given a loan of ₹ 5.83 million by ECL Finance against their property. ECL Finance filed a complaint on August 12, 2016 against the Borrowers under various sections of IPC and relevant provisions of the Maharashtra Control of Organised Crime Act, 1999 for allegedly defrauding ECL Finance. Further, ECL Finance has submitted documents requested by EOW, Pune in relation to the complaint. The matter is currently pending.

iv. A criminal complaint dated October 31, 2019 ("**Complaint**") was filed by ECL Finance before the Bandra Kurla Complex, Mumbai Police Station against JSK Marketing Limited, its directors, and others ("**Accused**") for having committed offence *inter -alia* criminal breach of trust, fraud, cheating punishable under various provisions of IPC and Maharashtra Control of Organized Crime. ECL Finance in its Complaint has alleged the Accused for wrongful loss of towards SME equipment Loan amounting to ₹ 20.9 million. BKC Police Station registered FIR bearing No. 300/2020 against Directors of JSK Marketing Limited under Section 403, 406, 420 read with Section 34 of IPC. Kunal Jiwarajka, one of the Accused made an application before the Sessions Court at Mumbai for anticipatory bail being No. 27 of 2021, which was rejected by the by the Hon'ble Court vide its Order dated February 03, 2021. Being aggrieved, the said Accused preferred an Appeal before the Bombay High Court being No. ABA/385 /2021. ECL Finance filed an Intervention Application opposing the said anticipatory bail application. The Bombay High Court *vide* an order dated April 24, 2023, allowed the application bearing no. ABA/385 on certain terms and conditions and granted pre-arrest bail to the applicant. The matter is currently pending with BKC police station for further investigation.

v. ECL Finance has received notice Ref. No. 726-5A/EoW-2 dated April 3, 2024 from EoW-II, Gurugram Police, DCP Maneshar Office, Maneshar, Gurugram directing ECL Finance to join the preliminary enquiry in Complaint No. 7080-P, DCP East Gurugram dated March 22, 2024 filed by Sunil Ghorawat ("**Complainant**") against ECL Finance,its management and its official. Complainant availed a loan of ₹ 250 million from ECL Finance in March 2019 for a specific purpose. The Complainant has alleged that ECL Finance disbursed ₹ 160 million in escrow account opened in the name of the Complainant and from there said amount was transferred to another escrow account opened in name of Net Creation Private Ltd., a company owned by the Complainant and his wife, and from there transferred the money to itself. The Complainant further alleged that ECL Finance has full control on the said escrow accounts, did not utilise the loan amount for which the said loan was sanctioned and misappropriated ₹ 160 million when no amount was due and payable by him and Net Creation to ECL Finance. Thereby ECL Finance has committed offence of breach of trust. ECL Finance on April 18, 2024 filed its reply and submitted the loan and other relevant documents and is participating in the preliminary enquiry. The matter is currently pending.

d. <u>Criminal proceedings against ECL Finance</u>

i. The Directorate of Enforcement ("**Complainant**") filed an original complaint dated September 3, 2016, with the Adjudicating Authority under the Section 5(5) of the Prevention of Money Laundering Act, 2002 against Kingfisher Airlines Limited, Vijay Mallya, and others for acquisition of property using proceeds of crime in terms of Section 2(1)(u) of Prevention of Money Laundering Act of 2002. Certain shares of Vijay Mallya and his associates were pledged with ECL as security ("**Pledged Securities**") for various loans availed by them. The Complainant has sought for attachment of the Pledged Securities. The Adjudicating Authority, (Prevention of Money Laundering Act), New Delhi has confirmed the provisional attachment vide an order dated February 22, 2017 and ECL has challenged the same vide an appeal before the Appellate Authority. The matter is currently pending.

ii. Rajiv Shivram Rane, proprietor of Jankie Properties vide his letter dated August 18, 2020 filed a complaint with Economics Offences Wing, Mumbai against Sanghvi Gruha Nirman Private Limited ("**Mortgagor**") and ECL Finance *inter -alia* alleging cheating having deprived him of getting his percentage of area shares to be allotted under the development agreement executed between him and Sanghvi Gruha Nirman Private Limited and caused him to pay rentals to Maharashtra Housing & Area Development Authority of the tenants etc. Sanghvi Gruha Nirman Private Limited, thereafter in order to raise finance for construction of building mortgage the said properties with ECL Finance under mortgaged deed dated March 21, 2016, wherein complainant was confirming party. Pursuant thereto ECL Finance granted a loan of ₹ 1,500 million to Sanghvi Gruha Nirman Private Limited, however said Sanghvi Gruha Nirman Private Limited failed to utilize the loan amount towards constructions of building. Due to raising loans against the land properties and not doing construction, he could not deliver the flats to the original tenants and compelled to pay rents to the original tenants. On December 5, 2020 a representative of ECL Finance along with legal counsel had attended the office of Economics Offences Wing for recording of statement in the matter. The investigation is pending.

iii. ECL Finance has received notices dated December 28, 2020 from Investigating Officer (**IO**), Mahanagar Police Station, Lucknow, UP issued under Section 41 (A) of Cr. PC addressed in the name of ECL Finance Limited, Madhur Bhatia, relationship manager, Romanshu Tandon, Himanshu Chhatrawal, Zonal Manager and Rashesh Shah, Chairman (the "**Accused**") *inter -alia* informing that FIR being No. 497 of 2020 has been registered against the Accused under Section 406 and 420 of IPC based on Complaint filed by one Amir Ahmad ('**Complainant**") and directed to appear before IO for investigation with respect to the said FIR. Complainant alleged that ECL Finance arbitrarily liquidated his 4383 equity shares of HDFC Bank Limited, pledged with ECL Finance as Security for repayment of ESOP loan facility amounting to ₹ 5.74 million and unsecured loan facility amounting to ₹ 2.35 million availed by the Complainant. ECL Finance limited vide its letter dated January 12, 2021, replied to the said notice along with relevant documents denying the allegations made by the Complainant. All addressees of notice dated December 28, 2020 filed their reply vide letter dated February 2, 2021. The investigation is currently pending.

iv. ECL Finance received a notice dated January 12, 2021 from Station House Officer ("**SHO**"), Bhankrota Police Station, Jaipur (west) under Section 91 of Cr. P. C. *inter-alia* informing that he is investigating crime in FIR No. 371of 2020 registered under Sections 420, 467, 468, 471 read with Section 120 B of IPC filed by one Vinod Kumar Bothra **("Complainant")** against Moolchand Bothra, Trilokchand Das Ahuja, Kamal Kumar Bothra, Sunil Jain, Saurabh Khandelwal and Manager, ECL Finance. The Complainant alleged that accused made a forged mortgaged document, in respect of plot of land being No. F-69, Bindayaka Industrial Estate, RIICO, Jaipur belongs to his partnership firm Jain Industries without his knowledge and consent and availed a loan from ECL Finance. SHO requested to furnish certain mortgaged loan documents pertaining to Borrowers, Jain Industries such as Loan Agreement, statement of accounts etc. Subsequently, officials of ECL Finance attended investigation and submitted copies of required information and documents. SHO vide its notices dated December 15, 2021 and May 16, 2022 requested to furnish original loan agreement alongwith name and contact details of sanctioning authorities. The same request has been complied with by ECL

Finance on May 20, 2022. The investigation is currently pending.

v. ECL Finance received a notice dated April 10, 2024 from Chaturshrungi Police Station, Pune whereby on basis of the complaint filed by one Rajendra Venkat Reddy against ECL's Borrower, Manish Raghunath Zende & Anr. ("**ECL Borrower**"), the Police registered FIR no. 308 of 2024 under section 406, 420, 464, 467, 468, 471 & 34 of Indian Penal Code, 1860. The Police vide the notice intimated that the case is filed against the customer and the our company and called us to produce certain documents pertaining to the loan facility provided to our customer. The investigation is pending.

(d) Nuvama Wealth and Investment Limited ("NWIL") (formerly known as Edelweiss Broking Limited)

(i) Civil litigation filed against NWIL.

Except as disclosed under *"Civil proceedings against ECL Finance",* there are no other civil proceedings filed against NWIL.

(ii) Criminal proceedings filed by NWIL

1. NWIL has filed a criminal writ petition ("**Petition**") against State of Maharashtra and BKC police station before Bombay High Court praying that Central Bureau of Investigation or any other investigating agency be directed to investigate the offence committed by Pranav Patki under the provisions of Indian Penal code. The matter is currently pending.

2. NWIL filed a criminal complaint dated March 2, 2016 ("**Complaint**") with the Gandhi Nagar Police Station, Jammu against AEN Collective Market Management Private Limited and its directors (collectively, the "Accused") under the applicable criminal laws of the State of Jammu and Kashmir and the Trade Marks Act, 1999 restraining the Accused from posing as the Complainant's franchise and conducting fraudulent transactions. Subsequently, the Complainant filed an application under the applicable Criminal Procedure Code of the State of Jammu and Kashmir ("**Application**") before the Chief Judicial Magistrate, Jammu ("**Court**") for investigation of the Complaint. The Court *vide* its order dated April 26, 2016, issued a direction to the Gandhi Nagar Police Station, Jammu to register a first information report and commence investigation. Additionally, the Complainant filed a complaint dated October 20, 2016 with the cyber-crime cell against the Accused for violating of Sections 66A and 66D of the Information and Technology Act, 2000 to mislead the public at large by using the Complainant's registered logo. A.K. Dewani *vide* his letter dated November 17, 2016 has raised a complaint with the RBI against the Complainant demanding that the value of bonds invested in pursuance of the fraud committed by the Accused be refunded to him stating that the Accused is related to the Complainant. A copy of this letter has also been sent to the RBI and the RBI has forwarded the letter to the Complainant advising the Complainant to resolve the complaint amicably within ten days. A.K. Dewani has through an undated letter highlighted that the total amount of fake bonds issued by Accused is ₹ 2.33 million. Thereafter, NWIL denied any involvement of itself and informed A. K. Dewani about lodging of Complaint in the matter. The matter is currently pending.

3. NWIL has filed a criminal complaint dated December 14, 2021 before Station House Officer, Desh Bandhu Gupta Road, Pahar Ganj, New Delhi against its Ex-employee Ishan Pundit and other unknown persons for he is having engaged in illicit activities of unauthorised trading in clients account thereby causing a loss of about ₹ 1.24 million. On August 26, 2022, FIR bearing No. 30 of 2022 has been filed before Cyber Police Station (Central), Delhi under sections 409 and 420 of IPC, 1860. Cyber Cell Police Station, Central District, Delhi by its notice dated December 14, 2022, issued under Section 91 of Cr. P. C requested NWIL to provide certain documents and information. NWIL has filed its reply vide letter dated February 03, 2023, providing the required documents and information. Meanwhile, NWIL has also filed e-complaint bearing no.EC-DLCT02-10156-2022 before Chief Metropolitan Magistrate, Central, THC, Central, Delhi for amending the accused names in the FIR. Matter is pending before the Court. Police filed a report in the Court stating that Amit Gupta and Sunil Narang have joined the investigation and their statements have been recorded and facts are being analyzed. The investigation is pending.

4. NWIL has filed criminal cases under Section 138 of the Negotiable Instrument Act, 1881, against clients for dishonor of cheques towards trading account dues, which are currently pending before the

Magistrate Court.

(iii) <u>Criminal proceedings filed against NWIL.</u>

Other than as mentioned below and under " *Material litigations involving our Directors as on the date of this Draft Prospectus- Criminal litigation*", there are no other criminal proceedings against NWIL.

1. Rajat Tyagi ("**Complainant**") has filed a complaint and lodged FIR on February 22, 2020 ("FIR") under Section 406 of Indian Penal Code, 1860 with the Kotwali police station, Bijnor, Uttar Pradesh against Mohit Singhal, advisor NWIL. The Complainant alleged that the share transactions to an amount of ₹0.25 million. By its email dated May 14, 2021, NWIL filed its reply dated May 11, 2021 alongwith relevant recordings and transcripts with Investigating Officer ("**IO**") against the undated letter of the Complainant for re-investigation of case. No further information has been sought by IO.

2. Manish Varshney ("**Complainant**") filed a first information report dated March 28, 2012 ("**FIR**") against Anagram Capital Limited (now amalgamated with NWIL) and its employees Manoj Tomar and Manoj Gupta (collectively, the "Accused") under Sections 406, 417 and 506 of the Indian Penal Code, 1860 for alleged fraudulent trading using the Complainant's trading account. Subsequently, Manoj Gupta filed a criminal petition) under Article 226 of the Constitution of India, 1949 before the High Court of Judicature at Allahabad ("**Court**"), seeking a stay order and directions to quash the FIR. The Court granted a stay and directed the police to submit a police report under Section 173(2) of the Criminal Procedure Code, 1973. The matter is currently pending.

3. A first information report dated December 5, 2013 was filed by Gaurang Doshi ("**Complainant**") against one Mehul Kantilal Vala, ex-employee of the complainant under Section 154 of the Criminal Procedure Code, 1973 for violation of Sections 408, 418, 381 and 506(2) of the Indian Penal Code, 1860 with Ellisbridge Police Station at Ahmedabad, for alleged theft of the physical share certificates of different companies, challan of the banks and cash of ₹0.03 million aggregating to value of ₹4 million. Pursuant to which NWIL received a Notice dated December 11, 2013, from Ellisbridge Police Station at Ahmedabad inter-alia requesting to produce relevant documents pertaining to Delivery Instruction Slips ("DIS**")** lodged by Mehul Kantilal Vala along with relevant share certificates as well as Demat Account Statement of the Complainant, which has been provided by NWIL vide its letter dated December 13, 2013 and December 23, 2013. The Company official Rakesh Kori of Ahmedabad office recorded his statement on behalf of the company. There is no further communication received from police authorities since 2013. The matter is currently pending.

4. Baburajan Pillai, a client of NWIL, filed a police complaint before S Roopesh Raj, PSI, Anjalummoodu, Kollam Police station under Sections 408, 418, 468 and 420 of the Indian Penal Code, 1860 for unauthorised trading in his account. His complaint is that one of NWIL's officials took 300 Bank of India share certificates from the client and carried out unauthorized trading in his account. All the shares were sold at loss. Branch officials have visited the police station from time to time and have filed requisite documents. Thereafter, a notice dated January 7, 2016, was sent by the police, under Section 91 of Cr. PC ("**Notice**") directing NWIL to provide the relevant documents, which have been duly submitted. There is no further communication received from police authorities since 2016. The matter is currently pending.

5. H. R. Verma ("**Complainant**") filed a criminal complaint ("**Complaint**") before the Judicial Magistrate First Class, Bhopal ("**Judicial Magistrate**") under Sections 406, 420, 467, 468, 471 and 120B of the Indian Penal Code, 1860 against Sanjay Kumar, Asha Batham, Anita Gupta and Edelweiss Financial Advisory Limited (now amalgamated with NWIL) (collectively, the "Accused") for fraudulent transfer of shares of 4,000 shares of Reliance Industries Limited from their designated accounts. The Judicial Magistrate dismissed the Complaint *vide* an order dated March 16, 2015 ("**Order**"). Subsequently, the Complainant filed a criminal revision petition under Section 397 of the Criminal Procedure Code, 1973 before the District and Sessions Court, Bhopal ("Court") against the Order of the Judicial Magistrate. The Court heard the matter and directed the Judicial Magistrate to conduct further investigations *vide* an order dated December 22, 2015. The matter is currently pending.

6. George Ommen ("Complainant") filed a criminal case dated July 10, 2008 ("Criminal Case") before the Chief Judicial Magistrate Court at Ernakulum ("Court") against Anagram Securities Limited (now amalgamated with NWIL) and its employees, alleging criminal breach of trust and misappropriation of

the Complainant's money by conducting unauthorised trades leading to a loss of ₹0.03 million under Sections 406, 409 and 34 of the Indian Penal Code, 1860. Complainant, thereafter, filed two separate Petitions both dated October 22, 2022 for substitution of M/s Anagram Securities Ltd to our Company Edelweiss Financial Services Ltd and Petition under Section 91 of Cr. PC 1973 inter-alia prying to direct NWIL to produce relevant documents showing the amalgamation of M/s Anagram Securities Ltd. with our Company and also to produce Memorandum of Association of our Company respectively. NWIL filed its objections dated November 22, 2022, to the said Petitions. The matter is currently pending.

7. On December 11, 2020, NWIL received a notice under section 54 of Prevention of Money Laundering Act, 2002 ("**PMLA**") from Directorate of Enforcement, Government of India, Jaipur ("**ED**") in respect of investigation against Clients, M/s. Bhavishya Credit Cooperative Society and 11 others inter alia requesting to provide details of shareholding with present value. ED also directed not to allow any further sale/ transfer transaction in the account of said clients without NOC from ED. NWIL vide its email dated December 21, 2020 requested ED to provide certain additional information in order to comply with the said Notice. The matter is pending.

8. Chayya Jitendra Mohite, a client of NWIL has filed a Criminal Writ Petition being No. 50 of 2021 ("**Petitioner**") before High Court at Mumbai against Senior Police Officer, Vakola Police Station, Mumbai and State of Maharashtra, the Respondents *inter-alia* praying for an order directing Respondent No. 1 to register FIR on the Petitioner's complaint dated June 25, 2020 filed with Respondent No. 1 against NWIL, ECL Finance and S. R. Batliboi and Company LLP and thereafter transfer the same to Economics Offences Wing (EOW) or Central Bureau of Investigation (CBI) for further investigation. Petitioner, *inter-alia* alleged the opening of his and his family members loan account/s with ECL Finance without knowledge and consent. On January 20, 2021, NWIL and ECL Finance appeared before the Hon'ble Court as intervener, when Hon'ble Court allowed the Petitioner to amend the Petition and serve the copies thereof upon all the Respondents and Interveners. Till date, no Petition has been served upon NWIL. The Petition is still pending for hearing. NWIL received a call from Police on March 20, 2023, informing about the letter issued by Petitioner's representative Snehal Thakkar dated March 02, 2023, and directed to appear before the Police to record our statement. Accordingly, NWIL officials Mr. Doshi and Mr. Agarwal recorded their statements on May 30, 2023 and June 06, 2023 accordingly. The matter is currently pending.

9. Malvika Saluja and Jyotika Saluja both of Bhubhneshwar, investors in Edelweiss Multi Strategy Fund Management Pvt Ltd ("**EMSFMPL**") filed 2 separate criminal complaints both dated February 03, 2021 with Laxminagar Police Station, Bhubhneshwar against Employees of NWIL, namely, Debasis Nayak, Dipankar Datta and Raja Ram, *inter-ali*a alleging forgery in respect of documents submitted with EMSFMPL for investment in Hexogen Product. On February 09, 2021, NWIL officials received telephonic directions from Laxminagar Police Station to provide details and documents relating to the said investments in the matter. NWIL official Debasis Nayak appeared before the Investigating Officer along with his advocate on March 3, 2021 and recorded his statement. Thereafter, no further case has been registered before Laxmi Sagar Police Station, Bhubaneshwar.

10. Devarajulu Boopalan ("**Complainant**"), filed a criminal complaint against Dinesh Kumar G and Niraj R. Sharma, officials of NWIL with Thousand Lights Police Station, Chennai – 6 inter-alia raising concerns about his investment of ₹15 Lakhs made in Crossover Fund Series II offered by EAML ("**the Fund")**. Based on telephonic call received from Police station, both the officials attended Police station on August 3, 2021, and denied all alleged concerns raised by the client. On June 15, 2022, NWIL attended concern Police Station through its authorised representative and apprised the matter to the concern Investigating officer. On January 12, 2023, the Parties entered into a MOU for settlement which stated that the Complainant had agreed to transfer the Fund in the name of Nuvama Wealth Finance Limited and/or its affiliates. The Complainant vide its letter dated March 1, 2023, informed to the Inspector of Police, Thousand Lights Police Station, Chennai, that both the parties have decided to resolve all the disputes amicably and requested to not proceed with the criminal complaint. NWIL is awaiting police closure report. The matter is currently pending.

11. NWIL has been served with Notice dated September 9, 2021 issued by the office of the Assistant Commissioner of Police, Section V: Economic Offences Wing, Mandir Marg, New Delhi against Senior Branch Manager, NWIL, Karol Bagh, Delhi under Section 91 of Code of Criminal Procedure *inter-alia* informing that the investigation is being conducted in case FIR No. 5 of 2021 registered

under sections 420, 467, 468, 471 read with sections 34 and 120B of Indian Penal Code against NWIL and others and directed to appear alongwith documents and details pertaining to D H Limited (Client) such as Account opening forms for trading and Demat with all supporting, Ledgers, brokerage and other charges details etc. NWIL, vide its letter dated September 15, 2021, responded to the notice, and submitted all required documents and information before Investigating Officer. No further communication is received from police authorities since 2021. The investigation is pending.

12. NWIL received two notices both dated July 7, 2021, issued by Senior Inspector of Police, District Investigation Unit, Chanakya Puri Police Station, New Delhi under Section 91 and 160 of CrPC inter-alia informing that the investigation is being conducted in case FIR No. 5 of 2021 and FIR No. 6 of 2021, both registered under sections 420, 467, 468, 471 read with sections 34 and 120B of IPC, based on the complaints of Shri Jagrit Sahni and Shri Gurmanak Sahni respectively ("**Complainants**") against one Rajesh Ambwani (No relation with Edelweiss) and Saloni Singh (represented herself as Relationship Manager of our Company) for having induced the Complainants with dishonest intention to invest a sum of ₹ 6 million and ₹ 2.5 million respectively and caused the loss for the same. NWIL furnished the required details and documents vide its letter dated July 12, 2021 and July 26, 2021. Economic Offences Wing, Section – V, New Delhi ("EOW") vide its Notice dated July 20, 2023 issued under Section 91 of Cr. PC directed NWIL to furnish with further details, which NWIL complied with vide its letter dated August 28, 2023. The investigation is pending.

13. Rajiv Kumar Saxena ("**Complainant**") has filed a criminal complaint against NWIL and one of its employees for commission of criminal breach of trust, cheating and forgery at the CR Park Police Station, New Delhi. The complainant has alleged that he had paid a total of ₹ 2.5 million to our Company by way of cheques for the purpose of investment in two schemes, wherein he was promised a return of 2% per month on the investment of ₹ 1 million, while the remaining ₹1.5 million was kept with Edelweiss Crossover Opportunities Fund and was to be invested in the NSE IPO. The Complainant has not received any returns nor a copy of the agreement. NWIL filed its reply vide letter dated July 12, 2022 and additional reply vide letter dated July 28, 2022. NWIL received order/notice dated August 28 2023, from C R Park police station, New Delhi asking NWIL and its two officials namely Akhil Goomber and Vidya Shah to appear for the purpose of enquiry. NWIL vide its two letters both dated August 31, 2023, replied to the said notice on merit. The matter is currently pending.

14. Economic Offences Cell, Panaji, Goa, ("**EOC**") vide its call letter dated May 18, 2022 informed our Company's Promoter Rashesh Shah and Venkatchalam Ramaswamy that department is conducting inquiry into the complaint filed by Complainant / Investor Caesar Fernandes (client of Edelweiss Broking Limited) against them for committing unfair trade practices, criminal breach of trust and cheating through their company and asked their presence before Investigating Officer ("**IO**") for application inquiry. NWIL officials attended the office of EOC on July 04, 2022, and July 11, 2022, when officials were asked to reply on queries raised by the IO on or before July 15, 2022. On July 15, 2022, NWIL filed its final reply before EOC. No further communication received from EOC. The matter is currently pending.

15. The Asst. Commissioner of Police, Kesarbaug Police Station, Lucknow, UP vide his letter dated September 09, 2022 addressed to Vibhor Shankar, employee of NWIL that he is investigating the criminal complaint filed by one Ratnesh Nigam, client of NWIL, against Vibhor Shankar, and directed said employee to remain present before him alongwith required documents for investigation. Vibhor Shankar, vide his letter dated October 03, 2022 replied the said complaint on merit alongwith supporting documents and stated that the FIR has already been registered being FIR No. 2231 of 2022 dated August 24, 2022 against the said Ratnesh Nigam before Mahanagar Police Station, UP, under Section 323, 342, 504 and 506 of IPC, for he having forcefully taken writing from employee regarding his losses in shares and currency derivates in the year 2015-16 on account of trading by employee. Mahanagar Police Station, Lucknow, UP ("**Police Station**") by its letter dated December 08.2022 directed NWIL officials to appear and record the statement with evidence. Pursuant to the said order, NWIL officials have submitted their statements before the Police Station. The said complaint is pending for investigation.

16. NWIL's official ("**Accused**") received a notice under Section 91 of CRPC, dated December 21, 2022 ("**Notice**") from SHO, Police Station, Gurugram. The notice intimated the Accused about a complaint registered against him for unauthorised trading against the complainant's directions. The Notice further directed the Accused to provide details and documents pertaining to the matter. Company officials

visited the Police Station, however, since there was no Investigating Officer in the matter, case is currently pending for investigation. NWIL is awaiting further communication from the Police authorities.

17. NWIL has been served with Notice on January 17, 2024 from Sub Inspector of Police, Thrissur Town East Police Station, Thrissur inter-alia requesting to provide certain details of NWIL (formerly Edelweiss Broking Limited) in respect of criminal case bearing FIR No. 2512/2023 registered with said police station against one Rajeev and Managing Director of NWIL (formerly EBL) on the basis of complaint filed by a client, Ajay Kumar for alleged unauthorised trades in his account from October 1, 2017 to December 31, 2023 thereby causing a loss of INR 7.6 million to the client. NWIL, by its letter dated January 19, 2024 provided all required details and documents before Thrissur Town East Police Station, Thrissur by way of recording statement before the police station. The matter is currently pending for investigation.

(iv) <u>Regulatory proceedings involving NWIL.</u>

1. NWIL has been served with Summons issued by Investigation Authority ("**IA**"), Securities and Exchange Board of India ("**SEBI**") under section 11C (3) of the Securities and Exchange Board of India Act, 1992 in relation to the trading activities of the NWIL's client, Bhawarlal Ramnivas Jajoo in the script of Reliance Industries Limited for a period from March 01, 2020 to March 31, 2020. NWIL vide its letter dated December 16, 2020 furnished the required information and data along with supporting documents and complied with the same. No further communication is received from IA. The investigation is pending.

2. NWIL has been served with Show Cause Notice dated June 09, 2023, from National Stock Exchange of India Limited **('NSE")** *inter-alia* alleging violation of Rules, Byelaws and Regulations of the Exchange and circulars issued by SEBI and Exchange and thereby facilitated the financing of client's transactions through a NBFC. NWIL filed its reply on June 30, 2023. The matter is pending.

3. NWIL has been served with Show Cause Notice dated October 06, 2023 from BSE Ltd. *inter-alia* alleging abnormal activity executed by the market participant. NWIL filed its response on October 25, 2023. The matter is currently pending.

4. The National Stock Exchange of India ("NSE") issued a show cause notice dated November 29 2023 ("SCN") to NWIL alleging inter alia that certain transactions in equity derivatives contract executed by one of NWIL's client were wrongfully permitted by NWIL, since they were matched and reversed by same counter party. Pursuant to this, NWIL filed its reply on December 7, 2023 refuting the allegations made in the SCN. The matter is currently pending.

5. The National Stock Exchange of India ("NSE") issued a show cause notice dated December 19, 2023 ("SCN") to NWIL inter-alia alleging that certain transactions in equity derivatives contract executed by NWIL's client were wrongfully permitted by NWIL, since they were matched and reversed by same counter party. Pursuant to this, NWIL filed its reply on December 29, 2023 refuting the allegations made in the SCN. The matter is currently pending.

6. The National Stock Exchange of India ("NSE") issued a show cause notice dated February 12, 2024 ("SCN") to NWIL alleging inter alia that certain transactions in equity derivatives contract executed by NWIL's client were wrongfully permitted by NWIL, since they were matched and reversed by same counter party. Pursuant to this, NWIL filed its reply on February 27, 2024 refuting the allegations made in the SCN. The matter is currently pending.

7. The National Stock Exchange of India ("NSE") issued a show cause notice dated March 28, 2024 ("SCN") to NWIL alleging inter alia that certain transactions in equity derivatives contract executed by NWIL's client were wrongfully permitted by NWIL, since they were matched and reversed by same counter party. Pursuant to this, NWIL filed its reply on April 09, 2024 refuting the allegations made in the SCN. The matter is currently pending with NSE.

8. The Multi Commodity Exchange of India Limited ("MCX") issued a show cause notice dated April 18, 2024 ("SCN") to NWIL alleging inter alia that near-month commodity level open position limit in " COTTONCNDY FUTURES 28-Mar-2024 at Constituent Client Level " has crossed the maximum allowable open position limit in client accounts, specifically in reference to client account "50074875". Pursuant to this, The matter is currently pending with NWIL.

(e) Nuvama Clearing Services Limited ("NCSL") (formerly known as Edelweiss Custodial Services Limited)

(i) Civil Proceedings filed against NCSL.

1. Arebee Shipping Company Private Limited and its promoter family, who claim to be clients of Anugrah Stock and Broking Private Limited ("**Anugrah**"), filed a suit before the Bombay High Court against Anugrah, Teji Mandi and NCSL ("**Suit**"). The principal allegation in this Suit is that Anugrah and Teji Mandi have misused the power of attorney given to them by the client to misappropriate securities/funds of the client. The Bombay High Court has also passed interim orders directing Anugrah and Teji Mandi to file an affidavit of disclosure to disclose ledger accounts, details of trades, etc. executed on behalf of their clients. The matter is currently pending.

2. On October 4, 2020, NCSL was served with three arbitration petitions ("Arbitration Petitions") filed by Lalit Shah, Lalit Shah HUF and Prafulla Shah ("**Petitioners**"), all of whom claim to be clients of Anugrah Stock and Broking Private Limited ("Anugrah"). The principal grievance raised in these Arbitration Petitions is that stocks / securities / units entrusted by the Petitioners with Anugrah have been wrongly sold by Anugrah and NCSL. The Petitioners have also sought a direction that Anugrah and ECSL remit back the securities / stocks / units belonging to the Petitioner or deposit in Court an equivalent aggregate sum. The petition has been filed under Section 9 of the Arbitration and Conciliation Act, 1996, seeking interim relief pending arbitration The matter is currently pending.

3. Writ Petition has been filed before the Bombay High Court by Jaidev Krishnan Iyer, Ashwin Kantilal Mehta and Vimal Kishor Sikchi, Mahendra Kumar Mohta respectively, who claims to be end investors who have invested their monies and given shares as collateral to Anugrah Stock & Broking Private Limited ("**Anugrah**"). The Petitioners have alleged that the securities placed by them were wrongfully liquidated by Anugrah and NCSL. The main prayers of these Petitions is to seek a Special Investigation Team to conduct investigation into the affairs of NSE, NCL, BSE, ECSL, ICICI Bank, Anugrah and Teji Mandi Analytics Private Limited and their auditors to ascertain the role played by each of the entities and submit a report. As Economic Offences Wing ("**EOW**") is already seized of the matter on account of the complaints filed with it by certain end-investors of Anugrah, EOW has been directed to submit a report on the progress of the investigation. The matter is currently pending.

4. Writ Petition has been filed before the Bombay High Court by Nimish Shah and others including Alpita Apurva Mayekar & others and Karim Maredia, end clients of Anugrah Stock & Broking Private Limited ("**Anugrah**") *inter-alia* seeking a direction against SEBI to take action against all Respondents including NSE, NCL, CDSL, ECSL, Anugrah and Teji Mandi, and pass appropriate orders to protect the interest of the Petitioners and other investors. As the petition involves a common cause of action and similar/overlapping reliefs, the parties were given the liberty to make an application to tag the above petition with other writ petitions filed before the Bombay High Court. All the writ petitions have been tagged together and common orders have been passed in all the writ petitions. The matter is currently pending for hearing.

5. Writ Petition being No. 3603 of 2022 has been filed before the Bombay High Court by Kamal R. Bulchandani & 05 others ("**Petitioners**"), the end clients of Anugrah Stock & Broking Private Limited ("**Anugrah**") against SEBI, NSE, NSECL, CDSL, NCSL, EOW and 07 others including EOW Anugrah, Teji Mandi inter-alia challenging the orders passed by the Respondent No. 2, NSE rejecting the claims of the Petitioners for reimbursement to the maximum of ₹ 25 lakhs each from IPF on account of losses suffered by unauthorised sell of Petitioner's securities and misappropriation of margin/funds by Respondent No. 5, 7 and 8 & after probing into the legality to set aside the said orders. NCSL is Party Respondent No. 5 in the captioned Petition. The Petitioners have alleged that the securities placed by them were wrongfully liquidated by Anugrah and NCSL. The Petitioners further prayed to appoint retired High Court Judge or any other competent High Court officials to probe into affairs of

Respondents No. 1 to 4 relating to the violation and breach of Respondents No. 5, 6 & 7 and for other reliefs more particularly mentioned in the said Petition including directing Respondent No. 6, EOW to disclose status of their investigations. The matter is currently pending.

(ii) Criminal Proceedings involving NCSL

1. On a complaint made by certain end-clients of Anugrah Stock and Broking Private Limited "Anugrah", the Economic Offence Wing ("**EOW**") registered first information report dated September 9, 2020 against Anugrah and its affiliates/promoters for defrauding customers under Ponzi scheme and lured investors with assured returns of 15% to 20%. Although NCSL is not an accused in that matter, the Economic Offence Wing passed a direction marking a debit lien on NCSL's clearing account held with Citibank to the tune of ₹4,603.2 million. NCSL challenged this direction before the 47th Additional Chief Metropolitan Magistrate's Court at Esplanade, Mumbai. The Additional Chief Metropolitan Magistrate's 47th Court at Esplanade, Mumbai has temporarily lifted the lien on NCSL's Clearing Account by passing a stay order. Due to business exigencies, NCSL has filed a miscellaneous application dated October 04, 2022, in the Sessions Court *inter alia* to permit NCSL to substitute securities given in the undertaking dated October 22, 2020 with the securities mentioned in the Application and other prayers mentioned therein. EOW filed its stay dated October 21, 2022 to the Application. NCSL filed its affidavit dated November 04, 2022 with express undertaking that NCSL shall provide additional security in the event of fall in the value of the security provided. By an Order dated December 07, 2022, the Hon'ble Court allowed Application. The original Misc. Application filed by NCSL before 47th Additional Chief Metropolitan Magistrate's Court at Esplanade, Mumbai is now transferred to the Session Court and pending for hearing.

2. NCSL has been served with a Notice dated September 10, 2022 from Senior Police Inspector, EOW, Amravati based on criminal complaint filed by end client of Anugrah Stock and Broking Private Limited "Anugrah", namely Rishabh Sikchi and others and have been called upon to present with all information and documents as mentioned in the letter. NCSL has appeared before them and submitted its response. NCSL had thereafter received notice seeking additional information which NCSL has duly submitted to EOW Amravati. The matter is currently pending.

3. T Ravi Prakash ("**Complainant**") had filed the FIR at Central Crime Station, Detective Department ("**CCS, DD**") at Hyderabad against his Stockbroker, Anugrah Stock and Broking Private Limited ("**Anugrah**") and 7 others including Nuvama Clearing Services Ltd (formerly known as Edelweiss Custodial Services Limited) ("**NCSL**"), under Section 409 and 420 of Indian Penal Code. The Investigating officer had deleted the names of Accused No. 4 to 8 including NCSL as there was no prima facie case made out against these accused. Being aggrieved, the Complainant filed a Protest Petition before Addl. Chief Metropolitan Magistrate, Hyderabad **("Court")** inter-alia directing CCS DD Police station to conduct further investigation into the matter and take cognizance against the accused in the Petition, who are not named as accused in chargesheet. By an Order dated June 30, 2023, the Court allowed the Petition and referred the matter to CCS DD Police station, Hyderabad for further and proper investigation against the accused. The matter is currently pending.

(iii) Regulatory proceedings involving NCSL.

1. NSE Clearing Limited ("**NCL**") had issued a Show Cause Notice ("**SCN**") dated January 8, 2020, after completing the Limited Purpose Inspection to understand the issue raised by the trading member Vrise Securities Private Limited ("**Vrise**"). NCL made inter-alia certain observations in its SCN and personal hearing was scheduled before Member and Core Settlement Guarantee Fund Committee ("**MCSGFC**") of NCL. The MCSGF Committee of NCL passed an order dated February 12, 2020 stating that NCSL toreinstate such securities that are liquidated by NCSL. NCSL thereafter filed an appeal against the impugned order with Securities Appellate Tribunal ("**SAT**"),and SAT by its order dated February 26, 2020, granted a stay on the matter until the matter is disposed of and directed NCSL to maintain its unutilized and free collateral with NCL above ₹ 240 million till the appeal has been decided. Thereafter, on December 15, 2023, SAT dismissed the appeal filed by NCSL against the MCSGFC order dated February 12, 2020. NCSL has filed a civil appeal before the Hon'ble Supreme Court against the SAT order dated December 15, 2023. . The matter is pending for hearing.

2. NSE Clearing Ltd ("**NCL**") had issued a Show Cause Notice ("**SCN**") dated September 19, 2020, after completing the Limited Purpose Inspection to understand the issue raised by the trading member

Anugrah Stock & Broking Private Limited ("**Anugrah**"). NCL made inter alia certain observations in its SCN and personal hearing was scheduled before Member and Core Settlement Guarantee Fund Committee ("**MCSGFC**") of NCL. The MCSGF Committee of NCL passed an order dated October 20, 2020 stating that post detailed scrutiny of NSE and the quantum of securities to be re-instated will be intimated by NSE to NCSL for further action and also has levied a penalty of ₹ 0.1 million. NCSL thereafter filed an appeal against the impugned order with Securities Appellate Tribunal ("**SAT**") and SAT by its order dated November 5, 2020, while granting a stay order inter-alia directed NCSL to give an undertaking to NCL that NCSL will deposit ₹ 2,120 million or any other amount as may be directed by Tribunal after disposal of Appeal. On December 15, 2023, SAT dismissed the appeal filed by NCSL against the MCSGFC order dated October 20, 2020. NCSL has filed a Civil Appeal before the Hon'ble Supreme Court against the SAT order dated December 15, 2023. The matter is pending for hearing..

3. NSE Clearing Ltd ("**NCL**") had issued a Show Cause Notice ("**SCN**") dated August 24, 2021 after completing the Regular Inspection of Books of NCSL. NCL made *inter alia* certain observations in its SCN which was duly responded by NCSL vide its letter dated September 8, 2021. On October 6, 2021, a personal hearing was concluded before the Member and Core Settlement Guarantee Fund Committee ("**MCSGFC**") of NCL and in pursuance thereof, NCSL submitted its written submission dated October 13, 2021. NCL had further sought clarifications on certain points vide its letter dated March 17, 2022 which are duly responded by NCSL vide its letter dated April 27, 2022 to NCL. NCL had further sought clarifications on certain points vide its letter dated September22, 2022 which was duly responded by NCSL vide its letter dated October 14, 2022. NCL vide its letter dated October 25, 2022 issues supplementary show cause notice citing observations ("**Supplementary SCN**") and a personal hearing was scheduled on 01-11-2022 before the MCSGFC. NCSL have submitted its response on November 15, 2022. Subsequently, hearing held on December 06, 2022, before MCSGFC. NCL has further submitted written submissions on Supplementary SCN on December 13, 2022. MCSGFC committee of NCL has *vide* its letter dated March 31,2023 gave its decision on the matter and proposed to levy a penalty of Rs 2.5 million. NCSL has filed an appeal before SAT on May 11,2023 which was heard on June 08, 2023, and the SAT has directed to deposit the penalty amount with NCL which will be subject to the result of the captioned appeal. NCSL has deposited the amount with NCL. The matter is currently pending.

(f) Nuvama Wealth Management Limited ("NWML")

(i) <u>Criminal proceedings against NWML</u>

S & D Financials Private Limited ("Complainant") filed an application under Section 156(3) of the Criminal Procedure Code, 1973 pursuant to an order dated 05.03.2008, the Magistrate passed an order directing the Police to investigate the matter. The Police filed a FIR (No. 142) dated 22 March 2008 ("FIR") was registered under Sections 406, 420 and 120B of the Indian Penal Code, 1860 with the Hare Street Police Station, Calcutta against NWML officials. The Complainant alleged that the Accused committed criminal breach of trust and cheated the Complainant in future and options transactions amounting to INR 84.80 Lakhs. Thereafter, NWML denied the allegations vide a letter dated 08 September 2008 and requested for closure of case. The matter is currently pending.

Except as mentioned above and under "*Material litigation or legal or regulatory actions involving our Promoter*", there are no other criminal proceedings against NWML.

(ii) <u>Regulatory proceedings involving NWML</u>

1. NSE has issued a show cause notice dated December 20, 2021 ("SCNs") to our Company stating that during the course of analysis in the equity derivatives segment, it was observed by NSE that IMC Trading BV, who is our client ("Client") have executed synchronized trades and these trades were reversed at prices, significantly above or below the prices at which first transactions took place. It was submitted that the Client is an institutional client of our Company registered through our Company and which execute its transactions through the DMA Facility provided by the trading members, which allows clients of trading members to access the stock exchange through the Trading Member Computer to Computer Link ("CTCL") system. It was submitted that Clients operate in a fully automated environment and its transactions are conducted via algorithms, without any human intervention. The response to the notice is submitted to NSE. However, the matter is currently pending.

2. NSE has issued a show cause notice dated December 19, 2023 ("SCNs") to our Company stating that during the course of analysis in the equity derivatives segment, it was observed by NSE that SEBES BEFUT LIMITED, who is our client ("Client") have executed synchronized trades and these trades were reversed at prices, significantly above or below the prices at which first transactions took place. It was submitted that the Client is an institutional client of our Company registered through our Company and which execute its transactions through the DMA Facility provided by the trading member, which allows clients of trading members to access the stock exchange through the Trading Member Computer to Computer Link ("CTCL") system. It was submitted that Clients operate in a fully automated environment and its transactions are conducted via algorithms, without any human intervention. The response to the notice is submitted to NSE. However, the matter is currently pending.

(g) Edelweiss Tokio Life Insurance Company Limited ("Edelweiss Tokio")

(i) Criminal proceedings against Edelweiss Tokio

1. An application was filed as a first information report dated March 13, 2018, under Section 420, 468, 470 and 471 before Chief Judicial Magistrate at Barasat by Sekhar Kumar Chanda ("**Petitioner**") alleging signature forgery and cheating vis-à-vis mis-selling against Edelweiss Tokio**.** The matter is currently pending.

2. A S Jayaram ("Complainant"), a client of Nido filed a complaint dated September 14, 2023, before Annapoorneshwari Nagar Police station at Bengaluru, for alleged enhancement of interest rate on the loan borrowed by him for an amount of INR 2,50,00,000 and collection of Insurance premium from loan amount without Borrowers consent. Pursuant to the compliant, a First Information Report dated September 14, 2023 ("FIR") under the provisions of Section 403, 406, 409, 420, 120B and 34 of IPC was registered for alleged fraud and cheating against Nido, its directors and authorised person, Edelweiss Tokio Life, its directors and authorised persons including our promotor, Rashesh Shah. Being aggrieved, our promotor, Nido & Edelweiss Tokio Life alongwith its respective directors and authorised persons filed Writ Petitions bearing No (s) 10385 of 2023 and 10387 of 2023 under Section 482 of Cr. P.C along with applications for stay before Karnataka High Court for quashing the said FIR and relevant complaint and notices. Subsequently, a settlement agreement dated November 9, 2023 entered into between the Complainant, Mr. A S Jayaram, Nido and Edelweiss Tokio Life. By an order dated January 05, 2024, the Karnataka High Court quashed the criminal proceedings initiated against Nido, its directors and authorised person, Edelweiss Tokio Life, its directors and authorised persons including our promotor, Rashesh Shah, except Mr. Tang Loo Chuan (former director of Edelweiss Tokio Life) in Criminal Petition No. 10385 of 2023 and Criminal Petition No. 10387 of 2023 with respect to crime No. 347 of 2023 registered with Annapoorneshwari Nagar Police station at Bengaluru.

   Subsequently, on February 13, 2024, Mr. Tang Loo Chuan, one of the non-executive directors of Edelweiss Tokio Life filed a criminal petition before the Karnataka High Court, being No. 1707 of 2024 along with applications for quashing of the FIR and relevant complaint and notices against him in this criminal matter. The said petition is currently pending.

(ii) Regulatory proceedings involving Edelweiss Tokio

1. Edelweiss Tokio Life Insurance Company Limited received a Show Cause Notice ("SCN") dated January 18, 2024, issued by IRDAI for change in shareholding without obtaining prior approval. Thereafter, IRDAI has by an order dated April 4, 2024, imposed a monetary penalty of INR 2 million on Edelweiss Tokio Life Insurance Company Limited.

(h) Edelweiss Asset Management Limited ("EAML")

(i) Criminal proceedings against EAML

Nil

(ii) Criminal proceedings by EAML

A Complaint was filed before Additional Chief Metropolitan Magistrate, 71st Court, Bandra by EAML against Anil Nath ("**Accused**") *inter-alia* for the offences of criminal defamation, under Section 499 of the Indian Penal

Code, 1860 for the defamation and loss of reputation caused to EAML, due to the acts and actions of the Accused. The matter is currently pending.

(i) Edelweiss Retail Finance Limited ("Edelweiss Retail")

(i) Civil Proceedings involving Edelweiss Retail

Nil

(ii) Criminal Proceedings involving Edelweiss Retail

Nil

(j) Ecap Equities Limited ("Ecap Equities")

Nil

(k) Ecap Securities & Investment Limited

Nil

(l) Edel Investments Limited ("Edel Investments")

(i) Civil proceedings against Edel Investments

Om Builders Private Limited ("**Plaintiff**") filed a suit against Orbit Abode Private Limited ("**Defendant no. 1**") and Edel Investments ("**Defendant no. 2**")before the Bombay High Court ("**Court**").The Plaintiff has filed the suit for declaration of the sale deed executed in favour of Defendant no. 2for sale of 95% share in one fourth undivided share, right, title and interest in all that piece and parcel of land hereditaments and premises equivalent to 11,198 square yards equivalent to 9,363 square meters of Malabar Cumballa Hill Division together with the bungalow known as 'Kilachand House' by Defendant no.1, as null and void. The matter is currently pending.

(ii) Criminal proceedings involving Edel Investments

Nil

(m) Edelweiss Rural & Corporate Services Limited ("ERCSL")

Except as disclosed above, there are no material outstanding civil proceedings, criminal proceedings or regulatory proceedings involving ERCSL.

(n) Zuno General Insurance Limited (formerly known as Edelweiss General Insurance Company Limited w.e.f December 27, 2022)

Except as the regulatory proceeding against the Company disclosed below, there are no material outstanding civil proceedings, criminal proceedings or regulatory proceedings involving Zuno General Insurance Limited:

(i) Regulatory proceedings involving Zuno General Insurance Limited

Zuno had received an order dated December 22, 2023 from the Joint Commissioner, CGST & Central Excise, Thane Commissionerate, for payment of GST on co-insurance premium transactions and reinsurance commissions amounting to INR 323.95 million and imposed a penalty of INR 32.39 million. The matter is currently pending.

(o) EdelGive Foundation

Nil

(p) Edelweiss Alternative Asset Advisors Limited

Nil

5. **Taxation**

As on the date of this Draft Prospectus, there are no tax matters wherein the amount involved is more than ₹10 million involving our Company.

6. **Details of acts of material frauds committed against our Company in the last three financial years and current financial year, if any, and if so, the action taken by our Company**

Sl. No	Branch	Date of detection / date of reporting to RBI/ NHB	Gross Amount reported in FMR (₹ million)	Modus operandi and action taken	Recovery till cut off date* (₹ Million)	Amount written off (₹ million)	Provision as on April 26, 2024 as per books (₹ million)	Action taken by the Company
1.	Bangalore	18-11-2020	7.37	Developer sold property to multiple buyers and provided fraudulent registered property documents.	0.037	7.37	-	Filed section 138 Complaint for full amount and waiting for next date. Criminal complaint filed against Borrower.
2.	Hyderabad	18-11-2020	4.93	General Power of Attorney (GPA) basis which Sale Deed executed was invalid as seller was not alive at the time of execution. Hence, sale deed is also invalid.	0.066	4.93	-	Section 138 under Negotiable Act complaint filed, SARFAESI- Section13 (4) Notice sent
3.	Pune	18-11-2020	2.96	Customer submitted colour xerox/fake property documents.	0.107	2.96	-	Section 138 unde Negotiable Act complaint filed, SARFAESI- section 14 filed and waiting for possession.
4.	Nellore	18-11-2020	1.97	Customer submitted colour xerox/fake property documents.	0.031	1.94	-	Under section 138 of Negotiable Act complaint filed, SARFAE5I- Section 14 filed and waiting for order.
5.	Hyderabad	18-11-2020	1.94	Customer submitted fraudulent property papers/registered agreements for non-existent property.	0.055	1.94	-	Criminal Complaint filed, Section 138 under Negotiable Act complaint filed, SARFAESI- Section 13 4 notice sent.
6.	Pune	18-11-2020	1.94	Customer & Builder fraudulently opened account in builder's name, siphoned off the loan amount and registered Cancellation Sale Deed	0.056	1.94	-	Under section 138 of Negotiable Act complaint filed, SARFAESI- Section 13(2) notice sent.
7.	Nagpur	18-11-2020	1.55	Customer obtained multiple financing on same property by forging property documents	0.065	1.55	-	Under section 138 of Negotiable Act complaint filed, SARFAESI- Section 14 filed and waiting for order.

Sl. No	Branch	Date of detection / date of reporting to RBI/ NHB	Gross Amount reported in FMR (₹ million)	Modus operandi and action taken	Recovery till cut off date* (₹ Million)	Amount written off (₹ million)	Provision as on April 26, 2024 as per books (₹ million)	Action taken by the Company
8.	Pune	18-11-2020	2.61	Customer submitted fraudulent property papers/registered agreements	3.371	-	-	Amount recovered and closure pending due to RBI approval.
9.	Warangal	18-11-2020	1.54	Customer submitted fraudulent property papers/registered agreements for non-existent property.	0.055	1.54	-	Criminal Complaint filed, under section 138 of Negotiable Act complaint filed, SARFAESI- Section 14 filed and waiting for order.
10.	Rajahmundry	18-11-2020	1.46	Customer submitted fraudulent property papers/registered agreements/Layout Plans of a non-existent property	0.64	0.86	-	Under section 138 of Negotiable Act complaint filed, SARFAESI- Section 14 filed and waiting for order.
11.	Kurnool	19-03-2021	1.97	Customer submitted fraudulent property papers/registered agreements/Layout Plans of a non-existent property	0.030	1.97	-	Under section 138 of Negotiable Act complaint filed, SARFAESI- Section 14 filed and waiting for order.
12.	New Delhi Pusa Road	14-01-2022	15.00	Forged property papers had been submitted to us. Investigations revealed that the original property owner, who is named as the seller in the sale deed submitted to us, was deceased prior to deal execution date mentioned on the property papers.	3.34	11.66		Filed section 138 Complaint for full amount and waiting for next date. Criminal complaint filed against borrower and the customer is under police custody.
13.	New Delhi Pusa Road	17-02-2022	11.80	Forged Property papers had been submitted to us. During investigation, it has been revealed that the Borrower is not the original owner. The original property papers state that the property has been sold to a third party by the seller.	0.42	11.38		Filed section 138 Complaint for full amount and waiting for next date. Criminal complaint filed against Borrower.
14.	New Delhi Pusa Road	17-02-2022	2.95	Forged Property papers had been submitted to us. During investigation, it has been revealed that the Borrower is not the original owner. The original property papers state that the property has been sold to a third party by the seller.	0.90	-	2.050	Filed section 138 Complaint for full amount and waiting for next date. Criminal complaint filed against Borrower.

** Total amount recovered includes total principal amount recovered from date of disbursement till end of current quarter.*

7. **Details of default, if any, in the past three years and the current financial year, including therein the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interests thereon; deposits and interest thereon; and loan from any bank or financial institution and interest thereon.**

   Nil except in cases where interest accrued and due on non-convertible debentures are laying in the designated pool accounts with banks. The said due interest amount has been transferred in the designated pool accounts with banks on or before due date for payment to the non-convertible debenture holders and payment transactions are also initiated by the bankers but the payments has been failed and due interest remain unpaid.

8. **Pending proceedings initiated against our Company for economic offences.**

   Nil

9. **Details of inquiries, inspections or investigations initiated or conducted under the Companies Act, 1956 or the Companies Act, 2013 or the securities law against our Company in the last three years along with section wise details of prosecutions filed (whether pending or not), fines imposed or compounding of offences against our Company in the last three years.**

   Nil

10. **Any litigation or legal action pending or taken against the promoter of the company by a Government Department or a statutory body or regulatory body during the last three years immediately preceding the date of this Draft Prospectus:**

    Except as disclosed under "*Material litigation or legal or regulatory actions involving our Promoter as on the date of this Draft Prospectus*", there are no other litigation or legal action pending or taken against the promoter of the company by a government department or a statutory body during the last three years immediately preceding the date of this Draft Prospectus**.**

11. **Any material event/ development or change having implications on the financials/credit quality at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the debt securities.**

    Nil

12. **Details of any disciplinary action taken by SEBI or stock exchange against the Promoters/Group Companies in last five financial years including outstanding action, if any.**

    i. Our Promoter, EFSL, along with other merchant bankers ("**Appellants**") preferred an appeal before the Securities Appellate Tribunal, Mumbai ("**SAT**") on May 19, 2016, inter alia, challenging an order dated March 31, 2016 ("**Order**") passed by an adjudicating officer of SEBI ("**Respondent**") imposing a penalty of INR 10 million jointly and severally on the Appellants for violation of certain disclosure requirements set forth under the SEBI ICDR Regulations, 2009 and adherence to the code of conduct set forth under the Merchant Bankers Regulations, 1992 for the merchant bankers in relation to the initial public offer of Electrosteel Steels Limited. SAT vide its order dated November 14, 2019, has reduced the penalty amount from INR 10 million to INR 5 million, and the said order was complied by the Appellants jointly.

    ii. SEBI vide its letter dated July 27, 2020, addressed to our Promoter, EFSL, made certain observations relating to merchant banking activities of EFSL during inspection carried out in the month of February 2020 and advised to be careful in future, thereby avoiding any lapses. Our Promoter, EFSL submitted its response on August 26, 2020, dealing with all the observations on merit. As of date, no further communication is received from SEBI.

    iii. SEBI vide its letter dated December 05, 2022 communicated to EFSL certain findings of inspection conducted by SEBI officials relating to the EFSL's merchant banking activities for a period from April 01, 2021 to March 31, 2022 and advised EFSL to submit its comments if any, along with supporting documents. EFSL had submitted its reply on December 12, 2022. SEBI, vide its letter dated January 17, 2023 issued advisory in relation findings of inspection and advised EFSL to ensure compliance with SEBI Circular dated November 26, 2021 on "Publishing Investor Charter and Disclosure of Complaints by Merchant Bankers on their Website- Debt Market" and to be careful in future and improve compliance standards to avoid recurrence of such instances in future. EFSL has submitted its response with SEBI to Advisory Letter on March 23, 2023, stating that the observation will be complied with henceforth. As on date, no further communication has been received from SEBI.

iv. Pursuant to order passed by Hon’ble National Company Law Tribunal, Mumbai Bench dated April 27, 2023, the merchant banking business of EFSL has demerged and transferred to Nuvama Wealth Management Limited with effect from July 1, 2023 and therefore the said merchant banking business is part of Nuvama Wealth Management Limited. The aforementioned actions mentioned in point (1) to (3) above are pertaining to merchant banking business of Issuer now transferred to Nuvama Wealth Management Limited.

v. Our group company, ECL Finance received a show cause notice (“**SCN**”) dated July 25, 2023 issued by RBI for alleged acts of failure to put in place a robust software for effective identification and reporting of suspicious transactions omissions. Thereafter, the RBI has by an order dated December 8, 2023, imposed a monetary penalty of INR 0.49 million on ECL Finance. The same has been duly paid.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Issuer's Absolute Responsibility

"The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to the Issuer and the issue which is material in the context of the issue, that the information contained in this Draft 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 stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading."

Authority for the Issue

At the meeting of the Board of Directors of our Company held on April 16, 2024, the Board of Directors approved the issuance of NCDs of upto ₹ 7,000 million in FY 2024-25. The Operations Committee at its meeting held on April 19, 2024 approved public issue of NCDs of the face value ₹ 1,000 each, for an amount up to ₹ 1,000 million to the public. The NCDs will be issued on terms and conditions as set out in this Draft Prospectus, the issue of which is being made as decided by the Board of Directors.

Further, the present borrowing is within the borrowing limit of ₹ 85,000 million under Section 180(1)(c) of the Companies Act, 2013 duly approved by the members of our Company at the Annual General Meeting on June 16, 2023.

Prohibition by SEBI/ Eligibility of our Company for the Issue

Our Company, persons in control of our Company and/or the Promoters and/or our Promoter Group and/or the Directors have not been restrained or prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force. Further, no member of our Company has been prohibited or debarred by SEBI from accessing the securities market or dealing in securities due to fraud.

None of our Directors and/or our Promoter have been declared as fugitive economic offenders.

The Company confirms that there are no fines or penalties levied by SEBI or the Stock Exchange pending to be paid by the Company as on the date of this Draft Prospectus.

The Company, as on date of this Draft Prospectus, has not defaulted in:

a. the repayment of deposits or interest payable thereon; or

b. redemption of preference shares; or

c. redemption of debt securities and interest payable thereon; or

d. payment of dividend to any shareholder; or

e. repayment of any term loan or interest payable thereon,

in the last three financial years and the current financial year.

Except as provided under section "*Outstanding Litigation - Material litigations and regulatory actions involving our Company - Regulatory matters involving Our Company*" on page 185, no regulatory action is pending against the issuer or its promoters or directors before the Board, NHB or RBI.

Willful Defaulter

Our Company, and/or our directors and /or our Promoters have not been categorised as a willful defaulter by the RBI, NHB, any government/regulatory authority and/or by any bank or financial institution nor are they in default of payment of interest or repayment of principal amount in respect of debt securities issued to the public, for a period of more than six months. None of our Whole-time Director and/or our Promoter, is a whole-time director or promoter of another company which is has been categorised as a willful defaulter.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGERS, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, TIPSONS CONSULTANCY SERVICES PRIVATE LIMITED AND NUVAMA WEALTH MANAGEMENT LIMITED (FORMERLY KNOWN AS EDELWEISS SECURITIES LIMITED), HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [•] WHICH READS AS FOLLOWS:

1. **[•]**

DISCLAIMER CLAUSE OF BSE

BSE LIMITED ("THE EXCHANGE") HAS GIVEN, VIDE ITS APPROVAL DATED [•] PERMISSION TO THIS COMPANY TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGE 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 ANY 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 RBI

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED MAY 19, 2023, ISSUED BY THE RESERVE BANK OF INDIA UNDER SECTION 29A OF THE NATIONAL HOUSING BANK ACT, 1987. HOWEVER, A COPY OF THIS DRAFT PROSPECTUS HAS NOT BEEN FILED WITH OR SUBMITTED TO THE RBI. IT IS DISTINCTLY UNDERSTOOD THAT THIS DRAFT PROSPECTUS, AND THE PROSPECTUS SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO BE APPROVED OR VETTED BY RBI. RBI DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE

PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE ISSUER OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE ISSUER AND FOR DISCHARGE OF LIABILITY BY THE ISSUER. BY ISSUING THE AFORESAID CERTIFICATE OF REGISTRATION DATED MAY 19, 2023 TO THE ISSUER, THE RBI NEITHER ACCEPTS ANY RESPONSIBILITY NOR GUARANTEE FOR THE PAYMENT OF ANY AMOUNT DUE TO ANY INVESTOR IN RESPECT OF THE PROPOSED NCDS ISSUE.

DISCLAIMER CLAUSE OF NHB

THE NHB DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS/ DISCHARGE OF LIABILITY BY THE COMPANY.

DISCLAIMER STATEMENT OF CRISIL

CRISIL RATINGS LIMITED (CRISIL RATINGS) HAS TAKEN DUE CARE AND CAUTION IN PREPARING THE MATERIAL BASED ON THE INFORMATION PROVIDED BY ITS CLIENT AND / OR OBTAINED BY CRISIL RATINGS FROM SOURCES WHICH IT CONSIDERS RELIABLE (INFORMATION). A RATING BY CRISIL RATINGS REFLECTS ITS CURRENT OPINION ON THE LIKELIHOOD OF TIMELY PAYMENT OF THE OBLIGATIONS UNDER THE RATED INSTRUMENT AND DOES NOT CONSTITUTE AN AUDIT OF THE RATED ENTITY BY CRISIL RATINGS. CRISIL RATINGS DOES NOT GUARANTEE THE COMPLETENESS OR ACCURACY OF THE INFORMATION ON WHICH THE RATING IS BASED. A RATING BY CRISIL RATINGS IS NOT A RECOMMENDATION TO BUY, SELL, OR HOLD THE RATED INSTRUMENT; IT DOES NOT COMMENT ON THE MARKET PRICE OR SUITABILITY FOR A PARTICULAR INVESTOR. THE RATING IS NOT A RECOMMENDATION TO INVEST / DISINVEST IN ANY ENTITY COVERED IN THE MATERIAL AND NO PART OF THE MATERIAL SHOULD BE CONSTRUED AS AN EXPERT ADVICE OR INVESTMENT ADVICE OR ANY FORM OF INVESTMENT BANKING WITHIN THE MEANING OF ANY LAW OR REGULATION. CRISIL RATINGS ESPECIALLY STATES THAT IT HAS NO LIABILITY WHATSOEVER TO THE SUBSCRIBERS / USERS / TRANSMITTERS/ DISTRIBUTORS OF THE MATERIAL. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, NOTHING IN THE MATERIAL IS TO BE CONSTRUED AS CRISIL RATINGS PROVIDING OR INTENDING TO PROVIDE ANY SERVICES IN JURISDICTIONS WHERE CRISIL RATINGS DOES NOT HAVE THE NECESSARY PERMISSION AND/OR REGISTRATION TO CARRY OUT ITS BUSINESS ACTIVITIES IN THIS REGARD. NIDO HOME FINANCE LIMITED WILL BE RESPONSIBLE FOR ENSURING COMPLIANCES AND CONSEQUENCES OF NON-COMPLIANCES FOR USE OF THE MATERIAL OR PART THEREOF OUTSIDE INDIA. CURRENT RATING STATUS AND CRISIL RATINGS' RATING CRITERIA ARE AVAILABLE WITHOUT CHARGE TO THE PUBLIC ON THE WEBSITE, WWW.CRISIL.COM. FOR THE LATEST RATING INFORMATION ON ANY INSTRUMENT OF ANY COMPANY RATED BY CRISIL RATINGS, PLEASE CONTACT CUSTOMER SERVICE HELPDESK AT 1800-267-1301.

DISCLAIMER CLAUSE OF CARE

THE REPORT IS PREPARED BY CARE ANALYTICS AND ADVISORY PRIVATE LIMITED (CAREEDGE RESEARCH). CAREEDGE RESEARCH HAS TAKEN UTMOST CARE TO ENSURE ACCURACY AND OBJECTIVITY WHILE DEVELOPING THE REPORT BASED ON INFORMATION AVAILABLE IN CAREEDGE RESEARCH'S PROPRIETARY DATABASE, AND OTHER SOURCES CONSIDERED BY CAREEDGE RESEARCH AS ACCURATE AND RELIABLE INCLUDING THE INFORMATION IN PUBLIC DOMAIN. THE VIEWS AND OPINIONS EXPRESSED HEREIN DO NOT CONSTITUTE THE OPINION OF CAREEDGE RESEARCH TO BUY OR INVEST IN THIS INDUSTRY, SECTOR OR COMPANIES OPERATING IN THIS SECTOR OR INDUSTRY AND IS ALSO NOT A RECOMMENDATION TO ENTER INTO ANY TRANSACTION IN THIS INDUSTRY OR SECTOR IN ANY MANNER WHATSOEVER.

THE REPORT HAS TO BE SEEN IN ITS ENTIRETY, THE SELECTIVE REVIEW OF PORTIONS OF THE REPORT MAY LEAD TO INACCURATE ASSESSMENTS. ALL FORECASTS IN THE REPORT ARE BASED ON ASSUMPTIONS CONSIDERED TO BE REASONABLE BY CAREEDGE RESEARCH; HOWEVER, THE ACTUAL OUTCOME MAY BE MATERIALLY AFFECTED BY CHANGES IN THE INDUSTRY AND ECONOMIC CIRCUMSTANCES, WHICH COULD BE DIFFERENT FROM THE PROJECTIONS.

NOTHING CONTAINED IN THE REPORT IS CAPABLE OR INTENDED TO CREATE ANY LEGALLY BINDING OBLIGATIONS ON THE SENDER OR CAREEDGE RESEARCH WHICH ACCEPTS NO RESPONSIBILITY, WHATSOEVER, FOR LOSS OR DAMAGE FROM THE USE OF THE SAID INFORMATION. CAREEDGE RESEARCH IS ALSO NOT RESPONSIBLE FOR ANY ERRORS IN TRANSMISSION AND SPECIFICALLY STATES THAT IT, OR ITS DIRECTORS, EMPLOYEES, PARENT COMPANY – CARE RATINGS LTD., OR ITS DIRECTORS, EMPLOYEES DO NOT HAVE ANY FINANCIAL LIABILITIES WHATSOEVER TO THE SUBSCRIBERS/USERS OF THIS REPORT. THE SUBSCRIBER/USER ASSUMES THE ENTIRE RISK OF ANY USE MADE OF THE REPORT OR DATA HEREIN. THE REPORT IS FOR THE INFORMATION OF THE AUTHORISED RECIPIENT IN INDIA ONLY AND ANY REPRODUCTION OF THE REPORT OR PART OF IT WOULD REQUIRE EXPLICIT WRITTEN PRIOR APPROVAL OF CAREEDGE RESEARCH.

CAREEDGE RESEARCH SHALL REVEAL THE REPORT TO THE EXTENT NECESSARY AND CALLED FOR BY APPROPRIATE REGULATORY AGENCIES, VIZ., SEBI, RBI, GOVERNMENT AUTHORITIES, ETC., IF IT IS REQUIRED TO DO SO. BY ACCEPTING A COPY OF THE REPORT, THE RECIPIENT ACCEPTS THE TERMS OF THIS DISCLAIMER, WHICH FORMS AN INTEGRAL PART OF THIS REPORT.

DISCLAIMER STATEMENT FROM THE LEAD MANAGERS

THE LEAD MANAGERS ACCEPT NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THE DRAFT PROSPECTUS OR IN THE ADVERTISEMENT OR ANY OTHER MATERIAL ISSUED BY OR AT THE INSTANCE OF THE COMPANY AND THAT ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT THEIR OWN RISK.

DISCLAIMER IN RESPECT OF JURISDICTION

THE ISSUE IS BEING MADE IN INDIA, TO INVESTORS FROM CATEGORY I, CATEGORY II, CATEGORY III AND CATEGORY IV. THIS DRAFT PROSPECTUS AND THE PROSPECTUS WILL NOT, HOWEVER CONSTITUTE AN OFFER TO SELL OR AN INVITATION TO SUBSCRIBE FOR THE NCDS OFFERED HEREBY IN ANY JURISDICTION OTHER THAN INDIA TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE AN OFFER OR INVITATION IN SUCH JURISDICTION. ANY PERSON INTO WHOSE POSSESSION THIS DRAFT PROSPECTUS AND THE PROSPECTUS COMES IS REQUIRED TO INFORM HIMSELF OR HERSELF ABOUT, AND TO OBSERVE, ANY SUCH RESTRICTIONS.

DISCLAIMER STATEMENT FROM THE ISSUER

THE ISSUER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHER THAN IN THIS DRAFT PROSPECTUS ISSUED BY OUR COMPANY IN CONNECTION WITH THE ISSUE OF THE NCDS AND ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT HIS / HER / THEIR OWN RISK.

UNDERTAKING BY THE ISSUER

INVESTORS ARE ADVISED TO READ THE RISK FACTORS CAREFULLY BEFORE TAKING AN INVESTMENT DECISION IN THIS ISSUE. FOR TAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE OFFER INCLUDING THE RISKS INVOLVED. THE NCDs HAVE NOT BEEN RECOMMENDED OR APPROVED BY ANY REGULATORY AUTHORITY IN INDIA, INCLUDING THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) NOR DOES SEBI GUARANTEE THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. SPECIFIC ATTENTION OF INVESTORS IS INVITED TO THE STATEMENT OF THE "RISK FACTORS" CHAPTER ON PAGE 16.

OUR COMPANY, HAVING MADE ALL REASONABLE INQUIRIES, ACCEPTS RESPONSIBILITY FOR, AND CONFIRMS THAT THIS DRAFT PROSPECTUS CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE, THAT THE INFORMATION CONTAINED IN THIS DRAFT PROSPECTUS IS TRUE AND CORRECT IN ALL MATERIAL ASPECTS AND IS NOT MISLEADING IN ANY MATERIAL RESPECT, THAT THE OPINIONS AND INTENTIONS EXPRESSED HEREIN ARE HONESTLY HELD AND THAT THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKE

THIS DRFAT PROSPECTUS AS A WHOLE OR ANY OF SUCH INFORMATION OR THE EXPRESSION OF ANY SUCH OPINIONS OR INTENTIONS MISLEADING IN ANY MATERIAL RESPECT.

THE COMPANY HAS NO SIDE LETTER WITH ANY DEBT SECURITIES HOLDER EXCEPT THE ONE(S) DISCLOSED IN THIS DRAFT PROSPECTUS. ANY COVENANTS LATER ADDED SHALL BE DISCLOSED ON THE STOCK EXCHANGE'S WEBSITES.

OUR COMPANY DECLARES THAT NOTHING IN THIS DRAFT PROSPECTUS IS CONTRARY TO THE PROVISIONS OF COMPANIES ACT, 2013 (18 OF 2013), THE SECURITIES CONTRACTS (REGULATION) ACT, 1956 AND THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES AND REGULATIONS MADE THEREUNDER.

Track record of past public issues handled by the Lead Managers

The track record of past issues handled by the Lead Managers, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, are available at the following websites:

Name of Lead Managers	Website
Tipsons Consultancy Services Private Limited	www.tipsons.com
Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)	www.nuvama.com

Listing

An application will be made to the Stock Exchange for permission to deal in and for an official quotation of our NCDs. BSE has been appointed as the Designated Stock Exchange.

If permissions to deal in and for an official quotation of our NCDs are not granted by the Stock Exchange, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Draft Prospectus.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange mentioned above are taken within 6 Working Days from the date of closure of the Issue.

For the avoidance of doubt, it is hereby clarified that in the event of zero subscription to any one or more of the series, such NCDs with series shall not be listed.

In case listing permission is not granted by the Stock Exchange(s) to our Company and if such money is not repaid within the day our Company becomes liable to repay it on such account, our Company and every officer in default shall, on and from expiry of such date, be liable to repay the money with interest at the rate of 15% as prescribed under Rule 11 of Companies (Prospectus and Allotment of Securities) Rules, 2014 read with Section 26 of the 2013 Act, provided that the beneficiary particulars relating to such Applicants as given by the Applicants is valid at the time of the upload of the demat credit.

Consents

Consents in writing of: (a) the Directors, (b) Company Secretary and Compliance Officer, (c) Chief Financial Officer, (d) Lead Managers, (e) the Registrar to the Issue, (f) Legal Counsel to the Issue; (g) CRISIL Ratings Limited; (h) the Debenture Trustee for the Issue; (i) Consortium Members*; (j) Public Issue Account Bank, Refund Bank and Sponsor Bank*; (k) CARE Analytics & Advisory Private Limited in relation to the Industry Report on "*Research Report on Housing Finance Industry*" dated April 19, 2024 have been obtained from them and the same will be filed along with a copy of the Prospectus with the ROC as required under Section 26 of the Companies Act, 2013. Further, such consents have not been withdrawn up to the time of delivery of the Prospectus with the Stock Exchange.
**Will be obtained at the Prospectus stage*

Our Company has received the written consent dated May 3, 2024 from NGS & Co. LLP, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI NCS Regulations, in this Draft Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) Audit report dated May 8, 2023, on the financial information of the Company as at and for each of the years ended March 31, 2023; (ii) Audit report dated May 6, 2022, on the financial information of the Company as at and for each of the years ended March 31, 2022 (iii) the reports on statement of possible tax benefits dated May 3, 2024, included in this Draft Prospectus, and such consent has not been withdrawn as on the date of this Draft Prospectus; and (iv) limited review report dated January 23, 2024 for the Unaudited Financial Results of the Company for the quarter ended December 31, 2023 and year to date from April 1, 2023 to December 31, 2023. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act, 1993.

Expert Opinion

Except for the following, our Company has not obtained any expert opinions in connection with this Draft Prospectus:

Our Company has received the written consent dated May 3, 2024 from NGS & Co. LLP, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI NCS Regulations, in this Draft Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) Audit report dated May 8, 2023, on the financial information of the Company as at and for each of the years ended March 31, 2023; (ii) Audit report dated May 6, 2022, on the financial information of the Company as at and for each of the years ended March 31, 2022 (iii) the reports on statement of possible tax benefits dated May 3, 2024, included in this Draft Prospectus, and such consent has not been withdrawn as on the date of this Draft Prospectus; and (iv) limited review report dated January 23, 2024 for the Unaudited Financial Results of the Company for the quarter ended December 31, 2023 and year to date from April 1, 2023 to December 31, 2023. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act, 1993.

Common form of Transfer

Our Company undertakes that there shall be a common form of transfer for the NCDs and the provisions of the Companies Act, 2013 applicable as on the date of this Draft Prospectus and all applicable laws shall be duly complied with in respect of all transfer of debentures and registration thereof.

Minimum Subscription

In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size i.e., ₹ 375 million. If our Company does not receive the minimum subscription of 75% of Base Issue Size, prior to the Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 8 Working Days from the Issue Closing Date or such time as may be specified by SEBI, failing which our Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 and Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including its circular bearing no. HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018.

Filing of this Draft Prospectus

A copy of this Draft Prospectus shall be filed with the Stock Exchange in terms of SEBI NCS Regulations for dissemination on their website. This Draft Prospectus shall also be displayed on the website of the Company and the Lead Managers.

Filing of the Prospectus with the RoC

Our Company shall file the Prospectus as per requirements of SEBI NCS Regulations. A copy of the Prospectus shall be filed with the RoC, in accordance with Section 26 and Section 31 of the Companies Act, 2013.

Debenture Redemption Reserve

In accordance with recent amendments to the Companies Act, 2013, and the Companies (Share Capital & Debentures) Rules 2014, read with the SEBI NCS Regulations, a listed company that intends to issue debentures to the public are no longer required to create a DRR for the purpose of redemption of debentures. Pursuant to the amendment to the Companies (Share Capital & Debentures) Rules 2014, notified on August 16, 2019, and as on the date of filing of this

Draft Prospectus, our Company is not required to create DRR for the purpose of redemption of the NCDs. Accordingly, no debenture redemption reserve shall be created by our Company for the purpose of redemption of the NCDs or in connection with the Issue. Our Company shall, as per the Companies (Share Capital & Debentures) Rules 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 31st day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law. Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at 15% (fifteen percent) of the amount of the debentures maturing during the year ending on March 31 of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws.

1. in deposits with any scheduled bank, free from any charge or lien;
2. in unencumbered securities of the Central Government or any State Government;
3. in unencumbered securities mentioned in sub-clause (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882;
4. in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882:

Provided further that the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above.

Recovery Expense Fund

Our Company shall create a recovery expense fund in the manner as specified by the SEBI Master Circular for Debenture Trustees and Regulation 11 of SEBI NCS Regulations with the Designated Stock Exchange and informed the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.

Kindly note, any default committed by the Company in terms of the NCDs proposed to be issued shall be reckoned at each respective International Securities Identification Number level assigned to the respective Option(s) of NCDs issued.

Reservation

No portion of the Issue has been reserved.

Underwriting

The Issue is not underwritten.

Terms and Conditions of Debenture Trustee Agreement

Fees charged by Debenture Trustee

The Debenture Trustee has agreed for one time acceptance fees of 0.0080% of the allotment size for each issuance payable one time on acceptance of Offer Letter and an annuity fee of 0.0085% of the allotment size for each issuance payable annually in advance from the date of execution till the NCDs are redeemed and security is released, as disclosed in their offer letter bearing reference number 50987/CL/MUM/24-25/DEB/20 dated April 23, 2024.

Terms of carrying out due diligence

As per the SEBI Master Circular for Debenture Trustees, the Debenture Trustee is required to exercise independent due diligence to ensure that the assets of the Issuer company are sufficient to discharge the interest and principal amount with respect to the debt securities of the Issuer at all times. Accordingly, the Debenture Trustee shall exercise due diligence as per the following process, for which our company has consented to.

(a) The Debenture Trustee, either through itself or its agents /advisors/consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the offer document /disclosure document / information memorandum / private placement memorandum, has been obtained. For the purpose of carrying out the due diligence as required in terms of the Relevant Laws, the Debenture Trustee, either through itself or its agents /advisors/consultants, shall have the power to examine the books of account of the Company and to have the

Company's assets inspected by its officers and/or external auditors/valuers/consultants/lawyers/technical experts/management consultants appointed by the Debenture Trustee.

(b) The Company shall provide all assistance to the Debenture Trustee to enable verification from the Registrar of Companies, Sub-registrar of Assurances (as applicable), CERSAI, depositories, information utility or any other authority, as may be relevant, where the assets and/or encumbrances in relation to the assets of the Company or any third party security provider are registered / disclosed.

(c) Further, in the event that existing charge holders have provided conditional consent / permissions to the Company to create further charge on the assets, the Debenture Trustee shall also have the power to verify such conditions by reviewing the relevant transaction documents or any other documents executed between existing charge holders and the Company. The Debenture Trustee shall also have the power to intimate the existing charge holders about proposal of creation of further encumbrance and seeking their comments/ objections, if any.

(d) Without prejudice to the aforesaid, the Company shall ensure that it provides and procures all information, representations, confirmations and disclosures as may be required in the sole discretion of the Debenture Trustee to carry out the requisite diligence in connection with the issuance and allotment of the Debentures, in accordance with the relevant laws/ Applicable Law.

The Debenture Trustee shall have the power to either independently appoint, or direct the Company to (after consultation with the Debenture Trustee) appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports/certificates/documentation, including all out of pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by the Company.

Process of Due Diligence to be carried out by the Debenture Trustee

Due Diligence will be carried out as per DT regulations and circulars issued by SEBI from time to time. This would broadly include the following:

- A Chartered Accountant ("**CA**") appointed by Debenture Trustee will conduct independent due diligence as per scope provided, regarding security offered by the Issuer.
- CA will ascertain, verify, and ensure that the assets offered as security by the Issuer is free from any encumbrances or necessary permission / consent / NOC has been obtained from all existing charge holders.
- CA will conduct independent due diligence on the basis of data / information provided by the Issuer.
- CA will, periodically undertake due diligence as envisaged in SEBI circulars depending on the nature of security.
- On basis of the CA's report / finding Due Diligence certificate will be issued by Debenture Trustee and will be filed with relevant Stock Exchange.
- Due Diligence conducted is premised on data / information made available to the Debenture Trustee appointed agency and there is no onus of responsibility on Debenture Trustee or its appointed agency for any acts of omission / commission on the part of the Issuer.

While the NCDs are secured as per terms of the Offer Document and charge is held in favour of the Debenture Trustee, the extent of recovery would depend upon realization of asset value and the Debenture Trustee in no way guarantees / assures full recovery / partial of either principal or interest.

Other Confirmations

The Debenture Trustee confirms that they have undertaken the necessary due diligence in accordance with Applicable Law, including the SEBI (Debenture Trustees) Regulations, 1993, read with the SEBI Debenture Trustee Master Circular.

The Debenture Trustee undertakes that the NCDs shall be considered as secured only if the charged asset is registered with sub-registrar and Registrar of Companies or CERSAI or depository, etc., as applicable, or is independently verifiable by the Debenture Trustee.

BEACON TRUSTEESHIP LIMITED HAVE FURNISHED TO STOCK EXCHANGE A DUE DILIGENCE CERTIFICATE DATED MAY 3, 2024, AS PER THE FORMAT SPECIFIED IN ANNEXURE II-A TO THE SEBI DEBENTURE TRUSTEE MASTER CIRCULAR AND SCHEDULE IV OF SEBI MASTER CIRCULAR WHICH READS AS FOLLOWS:

We, the Debenture Trustee to the above-mentioned forthcoming issue state as follows:

(1) We have examined documents pertaining to the said issue and other such relevant documents, reports and certifications.
(2) On the basis of such examination and of the discussions with the issuer, its directors and other officers, other agencies and of independent verification of the various relevant documents, reports and certifications

WE CONFIRM that:

a) The issuer has made adequate provisions for and/or has taken steps to provide for adequate security for the debt securities to be issued and listed.
b) The issuer has obtained the permissions / consents necessary for creating security on the said property (ies).
c) The issuer has made all the relevant disclosures about the security and also its continued obligations towards the holders of debt securities.
d) Issuer has adequately disclosed all consents/ permissions required for creation of further charge on assets in offer document and all disclosures made in the offer document with respect to creation of security are in confirmation with the clauses of debenture trustee agreement.
e) Issuer has disclosed all covenants proposed to be included in debenture trust deed (including any side letter, accelerated payment clause etc.), and offer document. And given an undertaking that debenture trust deed would be executed before filing of listing application.
f) Issuer has given an undertaking that charge shall be created in favour of debenture trustee as per terms of issue before filing of listing application.
g) All disclosures made in the draft offer document with respect to the debt securities are true, fair and adequate to enable the investors to make a well-informed decision as to the investment in the proposed issue.

We have satisfied ourselves about the ability of the Issuer to service the debt securities.

Our Company has submitted the due diligence certificate from Debenture Trustee to the Stock Exchange as per format specified in Annexure II-A of the SEBI Debenture Trustee Master Circular and Schedule IV of the SEBI Master Circular.

Debenture Trust Deed

Our Company and the Debenture Trustee will execute a Debenture Trust Deed, inter alia, specifying the powers, authorities and obligations of the Debenture Trustee and us, as per the extant SEBI regulations applicable for the proposed NCD Issue.

Issue Related Expenses

The expenses of the Issue include, inter alia, lead management fees and selling commission to the Lead Managers, Consortium Members, fees payable to debenture trustees, the Registrar to the Issue, SCSBs' commission/ fees, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The Issue expenses and listing fees will be paid by our Company.

The estimated breakdown of the total expenses for the Issue shall be as specified in this Draft Prospectus. For further details see, "*Objects of the Issue*" on page 55.

Utilisation of Issue Proceeds

Our Board of Directors certifies that:
(i) all monies received out of the Issue of the NCDs to the public shall be transferred to a separate bank account maintained with a scheduled bank, other than the bank account referred to in section 40(3) of the Companies Act;

(ii) details of all monies utilised out of the Issue referred to in sub-item (i) shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies were utilised;

(iii) details of all unutilised monies out of the Issue referred to in sub-item (i), if any, shall be disclosed under an appropriate separate head in our balance sheet indicating the form of financial assets in which such unutilised monies have been invested;

(iv) we shall utilize the Issue proceeds only upon creation of security as stated in this Draft Prospectus in the section titled *"Terms of the Issue"* on page 240 and after (a) permissions or consents for creation of *pari passu* charge have been obtained from the creditors who have *pari passu* charge over the assets sought to be provided as Security; (b) receipt of the minimum subscription of 75% of the Base Issue Size pertaining to the Issue; (c) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (d) creation of security and confirmation of the same in terms of NCDs and (e) receipt of listing and trading approval from BSE;

(v) the Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any property;

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

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

Public / Rights Issues of Equity Shares in the last three years from this Draft Prospectus

Public Issue:

Our Company has not undertaken any public issue of equity shares in last three years.

Rights

Our Company has not undertaken any rights issue of equity shares in the last three years.

Utilisation of issue proceeds of previous issues

The proceeds from the previous issuance of non-convertible debentures by the Company have been utilized in accordance with the use of proceeds set out in the respective offer documents and/or information memorandums under which such non-convertible debentures were issued which include, inter alia, to augment long-term resources of the Company, for on-lending and for general corporate purposes in accordance with the object clause of the Memorandum of Association of the Company.

Date of Opening	February 13, 2024
Date of Closing	February 26, 2024
Total Issue Size	₹1,000 million
Total Allotment Size	₹803.59 million
Date of Allotment	March 1, 2024
Date of Listing	March 5, 2024
Utilisation of Proceeds	The funds raised from the above issue has been utilised for the purpose of onward lending, financing, and for repayment/ prepayment of interest and principal of existing borrowings of our Company and general corporate purposes.

Date of Opening	August 30, 2023
Date of Closing	September 12, 2023
Total Issue Size	₹1,500 million
Total Allotment Size	₹848.62 million
Date of Allotment	September 15, 2023
Date of Listing	September 21, 2023
Utilisation of Proceeds	The funds raised from the above issue has been utilised for the purpose of onward lending, financing, and for repayment/ prepayment of interest and principal of existing borrowings of our Company and general corporate purposes.

Date of Opening	April 6, 2022

Date of Closing	April 26, 2022
Total Issue Size	₹3,000 million
Total Allotment Size	₹ 2,759.06 million
Date of Allotment	April 29, 2022
Date of Listing	May 5, 2022
Utilisation of Proceeds	The funds raised from the above issue has been utilised for the purpose of onward lending, financing, and for repayment/ prepayment of interest and principal of existing borrowings of our Company and general corporate purposes.

Utilisation details regarding the previous issues by our Promoter for the past 3 years

Our Promoter i.e. Edelweiss Financial Services Limited has undertaken the following debenture public issue prior to the date of this Draft Prospectus:

Date of Opening	April 8, 2024
Date of Closing	April 23, 2024
Total Issue Size	₹ 2,000 million
Amount raised in the issue	₹ 1,745.86 million
Date of Allotment	April 29, 2024
Net Utilisation of Proceeds	The funds raised through the above issue will be utilized for the purpose of repayment /prepayment of interest and principal of existing borrowings of Edelweiss Financial Services Limited and general corporate purposes.

Date of Opening	January 9, 2024
Date of Closing	January 23, 2024
Total Issue Size	₹2,500 million
Amount raised in the issue	₹ 2,140.93 million
Date of Allotment	January 29, 2024
Net Utilisation of Proceeds	The funds raised through the above issue will be utilized for the purpose of repayment /prepayment of interest and principal of existing borrowings of Edelweiss Financial Services Limited and general corporate purposes.

Date of Opening	October 6, 2023
Date of Closing	October 19, 2023
Total Issue Size	₹2,000 million
Amount raised in the issue	₹ 1761.38 million
Date of Allotment	October 26, 2023
Net Utilisation of Proceeds	The funds raised through the above issue will be utilized for the purpose of repayment /prepayment of interest and principal of existing borrowings of Edelweiss Financial Services Limited and general corporate purposes.

Date of Opening	July 4, 2023
Date of Closing	July 17, 2023
Total Issue Size	₹3,000 million
Amount raised in the Issue	₹ 2,580.19million
Date of Allotment	July 21, 2023
Utilisation of Proceeds	The funds raised through the above issue has been utilized for the purpose of repayment /prepayment of interest and principal of existing borrowings of Edelweiss Financial Services Limited and general corporate purposes.

Date of Opening	April 6, 2023
Date of Closing	April 21, 2023
Total Issue Size	₹4,000 million
Amount raised in the Issue	₹ 2,531.29 million
Date of Allotment	April 27, 2023

Utilisation of Proceeds	The funds raised through the above issue has been utilized for the purpose of repayment /prepayment of interest and principal of existing borrowings of Edelweiss Financial Services Limited and general corporate purposes.

Date of Opening	January 3, 2023
Date of Closing	January 16, 2023
Total Issue Size	₹4,000 million
Amount raised in the Issue	₹ 3,973.90 million
Date of Allotment	January 20, 2023
Utilisation of Proceeds	The funds raised through the above issue will be utilized for the purpose of onward lending and for repayment of interest and principal of existing borrowings of Edelweiss Financial Services Limited and general corporate purposes.

Date of Opening	October 3, 2022
Date of Closing	October 17, 2022
Total Issue Size	₹4,000 million
Amount raised in the Issue	₹ 3,643.51 million
Date of Allotment	October 21, 2022
Utilisation of Proceeds	The funds raised through the above issue has been utilized for the purpose of onward lending and for repayment of interest and principal of existing borrowings of Edelweiss Financial Services Limited and general corporate purposes.

Date of Opening	December 6, 2021
Date of Closing	December 22, 2021
Total Issue Size	₹ 5,000 million
Amount raised in the Issue	₹ 4,562.47 million
Date of Allotment	December 28, 2021
Utilisation of Proceeds	The funds raised through the above issue has been utilized for the purpose of repayment of interest and principal of existing borrowings of Edelweiss Financial Services Limited and general corporate purposes.

Date of Opening	August 17, 2021
Date of Closing	September 6, 2021
Total Issue Size	₹ 4,000 million
Amount raised in the Issue	₹ 3,678.24 million
Date of Allotment	September 9, 2021
Utilisation of Proceeds	The funds raised through the above issue has been utilized for the purpose of onward lending and for repayment of interest and principal of existing borrowings of Edelweiss Financial Services Limited and general corporate purposes.

Date of Opening	April 1, 2021
Date of Closing	April 23, 2021
Total Issue Size	₹4,000 million
Amount raised in the Issue	₹ 2,187. 03 million
Date of Allotment	29 April, 2021
Utilisation of Proceeds	The funds raised through the above issue has been utilized for the purpose of onward lending and for repayment of interest and principal of existing borrowings of Edelweiss Financial Services Limited and general corporate purposes.

Date of Opening	December 23, 2020
Date of Closing	January 4, 2021
Total Issue Size	₹ 2,000 million
Amount raised in the Issue	₹ 2,000 million
Date of Allotment	January 8, 2021
Utilisation of Proceeds	The funds raised through the above issue has been utilized for the purpose of onward lending and for repayment of interest and principal of existing borrowings of Edelweiss Financial Services Limited and general corporate purposes.

Utilisation details regarding the previous issues by our Group Companies for the past 3 years

Our group company, Nuvama Wealth and Investment Limited has undertaken the following debenture public issue from April 1, 2020 till April 26, 2024 prior to the date of this Draft Prospectus:

Date of Opening	July 05, 2022
Date of Closing	July 12, 2022
Total Issue Size	₹ 3,000 million
Amount raised in the issue	₹ 2,980.44 million
Date of Allotment	July 15, 2022
Net Utilisation of Proceeds	The funds raised through the above issue has been utilized for the working capital purposes and general corporate purposes.

Our group company, Nuvama Wealth Finance Limited, has undertaken the following debenture public issue from April 1, 2020 till April 26, 2024 prior to the date of this Draft Prospectus:

Date of Opening	January 23, 2020
Date of Closing	January 31, 2020
Total Issue Size	₹ 2,500 million
Amount raised in the Issue	₹ 2,219.13 million
Date of Allotment	February 5, 2020
Net Utilisation of Proceeds	The funds raised through the above issue has been utilized for the purpose of onward lending and for repayment of interest and principal of existing borrowings of Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance & Investments Limited) and general corporate purposes.

Public Issue by our Subsidiaries in the last three years from this Draft Prospectus

Not Applicable

Delay in listing

There has been no delay in the listing of any non-convertible securities issued by our Company.

Refusal of listing of any security of the issuer during the preceding three financial years and the current financial year by any of the stock exchanges in India or abroad.

There has been no refusal of listing of any security of our Company during the preceding three financial years and the current financial year by any Stock Exchange in India or abroad.

Debentures or bonds and redeemable preference shares and other instruments issued by our Company and outstanding

As on March 31, 2024, our Company has outstanding non-convertible debentures. For further details see chapter titled "*Financial Indebtedness*" on page 148.

Our Company has not issued any preference shares as of March 31, 2024.

Further, save and except as mentioned in this Draft Prospectus, our Company has not issued any other debentures.

Dividend

Dividend declared to the Equity shareholders of our Company over the last three years:

Particulars	**As at Fiscal**		
	2024	**2023**	**2022**
On Equity Shares			
Fully Paid-up Share Capital (Nos.)	6,93,50,000	6,93,50,000	6,93,50,000
Face Value / Paid Up Value (₹)	10	10	10

Equity Share Capital (₹ *in million)*	693.50	693.50	693.50
Rate of Dividend	Nil	Nil	Nil
Dividend	Nil	Nil	Nil
Dividend Distribution Tax	Nil	Nil	Nil

Revaluation of assets

Our Company has not revalued its assets in the last three years.

Mechanism for redressal of investor grievances

The Registrar Agreement dated April 29, 2024 between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least eight years from the last date of dispatch of the Allotment Advice, demat credit and refund through unblocking 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, number of NCDs applied for, amount paid on application 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 either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, series applied for, number of NCDs applied for, amount blocked on Application.

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

The contact details of Registrar to the Issue are as follows:

KFIN Technologies Limited
Selenium Tower B, Plot no. 31 and 32,
Financial District, Nanakramguda, Serilingampally
Hyderabad – 500 032, Telangana
Tel: +91 40 6716 2222
Fax: +91 40 6716 1563
Toll Free Number: 1800 309 4001
Email: nhfl.ncd@kfintech.com
Investor Grievance Email: einward.ris@ kfintech.com
Website: www.kfintech.com
Contact Person: M Murali Krishna
SEBI Registration Number: INR000000221
CIN: L72400TG2017PLC117649

The Registrar shall endeavour to redress complaints of the investors within three (3) days of receipt of the complaint during the currency of this MoU and continue to do so during the period it is required to maintain records under the RTA Regulations and our Company shall extend necessary co-operation to the Registrar for its complying with the said regulations. However, the Registrar shall ensure that the time taken to redress investor complaints does not exceed seven (7) days from the date of receipt of complaint. The Registrar shall provide a status report of investor complaints and grievances on a quarterly basis to our Company. Similar status reports should also be provided to our Company as and when required by our Company.

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

Archana Nadgouda*
Tower 3, 5th Floor, Wing B,
Kohinoor City Mall Kohinoor City, Kirol Road,
Kurla (West) Mumbai 400070,
Maharashtra, India
Tel.: +91 22 4272 2200
Email: investorgrievances@nidohomefin.com

Investors may contact the Registrar to the Issue or the Compliance Officer in case of any pre-issue or post Issue related issues such as non-receipt of Allotment Advice, demat credit, etc.

Details of Auditor to the Issuer:

Name of the Auditor	Address	Auditor since
NGS & Co. LLP	B-46, 3rd Floor, Pravasi Estate, V.N. Road, Goregaon (East), Mumbai – 400 063, Maharashtra, India	November 3, 2021

Change in auditors of our Company during the last three years and the current financial year

Name of the Auditor	Address	Date of Appointment	Date of cessation, if applicable	Date of Resignation, if applicable
S. R. Batliboi & Co. LLP	12th Floor, The Ruby, 29 Senapati Bapat Road Dadar (West), Mumbai 400028	July 25, 2018	Oct 27, 2021	Pursuant to RBI circular (RBI/2021-22/25) dated April 27, 2021
NGS & Co. LLP	B-46, 3rd Floor, Pravasi Estate, V.N. Road, Goregaon (East), Mumbai – 400 063, Maharashtra, India	November 3, 2021	-	-

Details of overall lending by our Company

Lending Policy

For lending policy in relation to each of the products of our Company, please see "*Our Business –Approval and Disbursement Process*" at page 102.

A. Loans given by the Company

Our Company has not provided any loans/advances to associates, entities/persons relating to Board, KMPs, senior management or Promoters out of the issue proceeds of debentures issued by the Company.

B. Type of loans

Classification of loans/advances given

The detailed breakup of the types of loans given by the Company as on March 31, 2023 is as follows:

(₹ in million)

No.	Type of Loans	Amount
1.	Secured	30,067.12
2.	Unsecured	624.93
	Total assets under management (Gross book)	**30,692.05**

C. *Denomination of loans outstanding by LTV as on March 31, 2023*

No.	LTV	Percentage of Gross book
1.	Up to 40%	22.57%
2.	40%-50%	9.99%

No.	LTV	Percentage of Gross book
3.	50%-60%	14.33%
4.	60%-70%	14.35%
5.	70%-80%	20.26%
6.	80%-90%	12.59%
7.	More than 90%	5.91%
	Total	**100.00%**

D. ***Sectoral Exposure as on March 31, 2023***

No.	Segment wise break up of Gross book	Percentage of Gross book
1.	**Housing Loans:**	**70.59%**
(a)	Individual	57.86%
(b)	Builders / Project Loans	11.65%
(c)	Corporates	0.56%
(d)	Other (specify)	0.52%
2.	**Non-Housing Loans:**	**29.41%**
(a)	Individual	17.47%
(b)	Builders / Project Loans	2.52%
(c)	Corporates	7.33%
(d)	Other (HUF & Partnership Firm)	2.09%
Total		**100.00%**

E. ***Denomination of the loans outstanding by ticket size as on March 31, 2023****

No.	Ticket size**	Percentage of Gross book
1.	Up to 0.2 million	0.04%
2.	0.2 million to 0.5 million	0.68%
3.	0.5 million to 1 million	7.34%
4.	1 million to 2.5 million	32.14%
5.	2.5 million to 5 million	16.13%
6.	5 million to 10 million	9.43%
7.	10 million to 50 million	13.15%
8.	50 million to 250 million	9.06%
9.	250 million to 1000 million	12.03%
10.	Above 1000 million	0.00%
Total		100%

** Ticket size at the time of origination*
***The details provided are as per borrower and not as per loan account.*

F. ***Geographical classification of the borrowers as on March 31, 2023***

Top 5 borrowers state wise

No.	Top 5 states	Percentage of Gross book
1.	Maharashtra	37.57%
2.	Tamil Nadu	12.52%
3.	Gujarat	11.70%
4.	Telangana	8.91%
5.	Karnataka	8.13%
	Total	**78.83%**

G. ***Details of loans overdue and classified as non-performing in accordance with the RBI's guidelines as on March***

31, 2023

(₹ in million)

Particulars	Amount
Movement of Gross NPAs*	
Opening gross NPAs	627.30
- Additions during the year	994.93
- Reductions during the year	(1,034.70)
Closing balance of gross NPAs	587.53
Movement of net NPAs*	
Opening net NPAs	459.52
- Additions during the year	789.72
- Reductions during the year	(800.41)
Closing balance of net NPAs	448.83
Movement of provisions for NPAs	
Opening balance	167.78
- Provisions made during the year	205.22
- Write-off / write-back of excess provisions	(234.37)
Closing balance	138.63

H. ***Segment-wise gross NPA as on March 31, 2023***

No.	Segment wise break up of gross NPA	Gross NPA (%)*
1.	**Retail:**	
a.	Mortgages (home loans and loans against property)	2.17%
b.	Gold Loans	0.00%
c.	Vehicle Finance	0.00%
d.	MFI	0.00%
e.	M & SME	0.00%
f.	Capital market funding (loans against shares, margin funding)	0.00%
g.	Others	0.00%
2.	**Wholesale:**	
a.	Infrastructure	0.00%
b.	Real Estate (including builder loans)	0.00%
c.	Promoter funding	0.00%
d.	Any other sector (as applicable)	0.00%
e.	Others	0.00%
Gross NPA		2.17%

** Gross NPA means percentage of NPAs to total advances in that sector*

I. ***Residual Maturity Profile of Assets and Liabilities as on March 31, 2023***

(₹ in million)

	Up to 30/31 days	More than 1 month to 2 months	More than 2 months to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 3 years	More than 3 years to 5 years	More than 5 years	Total
Deposit	-	-	-	-	-	-	-	-	-
Advances	862.89	498.76	1,249.40	1,366.46	2,556.75	10,169.98	2,338.56	11,649.25	30,692.05
Investments	14.98	14.58	89.22	115.56	222.44	601.08	109.52	1,636.84	2,804.02
Borrowings	135.31	7.41	1,745.51	1345.48	2257.40	5351.68	5880.41	1751.18	18474.38
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Current Liabilities	-	-	-	-	-	-	-	-	-

J. ***(a) Details of top 20 borrowers with respect to concentration of advances as on March 31, 2023***

(₹ in million)

Particulars	Amount
Total advances to twenty largest borrowers	6,149.04
Percentage of Advances to twenty largest borrowers to Total Advances to the Company	20.03%

(b) Details of top 20 borrowers with respect to concentration of exposure as on March 31, 2023

(₹ in million)

Particulars	Amount	
	Secured	Unsecured
Total exposure to twenty largest borrowers	5,745.24	608.39
Percentage of exposure to twenty largest borrowers to Total exposure to the Company	18.08%	1.91%

K. *Classification of loans/advances given to group companies as on March 31, 2023:*

	Name of Borrower	Amount of loans to such borrower (₹ in million) (A)	Percentage of A (A/ exposure*)	Percentage of A (A/Loan Book)
1.	ECap Equities Limited	608.39	1.91%	1.99%
2.	ECap Securities And Investments Limited	11.43	0.04%	0.04%
3.	ECL Finance Limited	5.11	0.02%	0.02%

**Exposure in the above table includes pending, committed, undrawn amount to the borrowers.*

ALM Statement

ALM Statement as on March 31, 2023, provided as below:

(₹ in million)

	Up to 30/31 days	More than 1 month to 2 months	More than 2 months to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 3 years	More than 3 years to 5 years	More than 5 years	Total
Deposit	-	-	-	-	-	-	-	-	-
Gross Advances	862.89	498.76	1,249.40	1,366.46	2,556.75	10,169.98	2,338.56	11,649.25	30,692.05
Investments	14.98	14.58	89.22	115.56	222.44	601.08	109.52	1,636.64	2,804.02
Borrowings	135.31	7.41	1,745.51	1,345.48	2,257.40	5,351.68	5,880.41	1,751.18	18,474.38
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Current Liabilities	-	-	-	-	-	-	-	-	-

Pre-Issue Advertisement

Our Company will issue a statutory advertisement in compliance with Regulation 30(1) of the SEBI NCS Regulations on or before the Issue Opening Date of this Issue. The Advertisement will contain the information as prescribed under the SEBI NCS Regulations and Section 30 of the Companies Act. Material updates, if any, between the date of filing of the Prospectus with the ROC and the date of the release of the statutory advertisement will be included in the statutory advertisement.

Auditors' Remarks

Other than as disclosed in the chapter titled "*Risk Factors*", on page 16, there are no reservations or qualifications or adverse remarks in the financial statements of our company in the last three financial years and the current financial year.

Trading

The non-convertible debentures of our Company are listed on NSE and/or BSE.

Caution

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

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

shall be liable for action under section 447."

Disclaimer in respect of Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Mumbai, India.

SECTION VII – ISSUE RELATED INFORMATION

ISSUE STRUCTURE

The key common terms and conditions of the NCDs / term sheet are as follows:

Issuer	Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited)
Type of instrument	Secured, redeemable, non-convertible debentures
Seniority (Senior or Subordinated)	Senior
Nature of the Instrument	Secured, redeemable, non-convertible debentures
Mode of the Issue	Public Issue
Lead Managers	Tipsons Consultancy Services Private Limited and Nuvama Wealth Management Limited *(formerly known as Edelweiss Securities Limited)*
Debenture Trustee	Beacon Trusteeship Limited
Depositories	NSDL and CDSL
Registrar	KFIN Technologies Limited *(formerly known as KFIN Technologies Private Limited)*
Issue	Public issue of 10,00,000 secured redeemable NCDs of our Company of face value of ₹ 1,000 each aggregating up to ₹ 500 million ("**Base Issue Size**"), with a green shoe option of up to ₹ 500 million, aggregating up to ₹ 1,000 million ("**Issue**"), on the terms and in the manner set forth herein.
Minimum Subscription	Minimum subscription is 75% of the Base Issue, i.e., ₹ 375 million
Base Issue Size	₹ 500 million
Green Shoe Option	Up to ₹ 500 million
Eligible Investors	Please see "*Issue Procedure – Who can apply?*" on page 257.
Objects of the Issue	Please see "*Objects of the Issue*" on page 55.
Details of Utilization of the Proceeds	Please see "*Objects of the Issue*" on page 55.
Interest Rate on each category of investor	Please see "*Terms of the Issue*" on page 240.
Step up/ Step Down Interest rates	NA
Interest type	Fixed
Interest reset process	NA
Frequency of interest payment	Please see "*Terms of the Issue*" on page 240.
Interest payment date	Please see "*Terms of the Issue*" on page 240.
Day count basis	Actual / Actual
Interest on application money	NA
Default Interest rate	Our Company shall pay interest, over and above the agreed coupon rate, in connection with any delay in allotment, refunds, listing, dematerialized credit, execution of Debenture Trust Deed, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under applicable laws. Our Company shall pay at least two percent per annum to the debenture holder, over and above the agreed coupon rate, till the execution of the trust deed if our Company fails to execute the trust deed within such period as prescribed under applicable law.
Tenor	Please see "*Terms of the Issue*" on page 240.
Redemption Date	Please see "*Issue Related Information*" on page 231.
Redemption Amount	Please see "*Issue Structure – Specific Terms for NCDs*" on page 238.
Redemption Premium/ Discount	Please see "*Issue Structure – Specific Terms for NCDs*" on page 238.
Face Value	₹ 1,000 per NCD
Issue Price	₹ 1,000 per NCD

Discount at which security is issued and the effective yield as a result of such discount	NA
Put date	NA
Put price	NA
Call date	NA
Call price	NA
Put notification time	NA
Call notification time	NA
Minimum Application size and in multiples of NCD thereafter	₹ 10,000 (10NCD) and in multiples of ₹ 1,000 (1 NCD) thereafter.
Market Lot / Trading Lot	The market lot will be 1 Debenture ("**Market Lot**"). Since the Debentures are being issued only in dematerialized form, the odd lots will not arise either at the time of issuance or at the time of transfer of debentures.
Pay-in date	Application Date. The entire Application Amount is payable on Application.
Credit Ratings	The NCDs proposed to be issued under this Issue have been rated "CRISIL A+/Stable" (pronounced as "CRISIL A plus rating" with Stable outlook) for an amount of ₹ 5,000 million by CRISIL Ratings Limited *vide* their rating letter dated December 19, 2023 which was revalidated vide revalidation letter dated April 12, 2024, which was further revalidated vide revalidation letter dated April 23, 2024. Securities with this rating are considered to have CRISIL A plus rating with Stable outlook. Such securities carry low credit risk.
Listing	The NCDs are proposed to be listed on BSE. The NCDs shall be listed within six Working Days from the date of Issue Closure. BSE has been appointed as the Designated Stock Exchange.
Depository	NSDL and CDSL
Modes of payment	Please see *"Issue Structure– Terms of Payment"* on page 238.
Issuance mode of the Instrument*	In dematerialised form only
Trading mode of the instrument*	In dematerialised form only
Issue opening date	*As specified in the Prospectus*
Issue closing date**	*As specified in the Prospectus*
Issue Timing	The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated in the Prospectus, except that the Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or the Operations Committee, subject to relevant approvals (subject to a minimum period of three working days and a maximum period of 10 working days from the date of opening of this Issue). In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in an English daily national newspaper with wide circulation and a regional daily with wide circulation where the registered office of the Company is located (in all the newspapers in which pre-issue advertisement for opening of this Issue has been given on or before such earlier or initial date of Issue closure). On the Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchange. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 p.m. on one Working Day post the Issue Closing Date.
Record date	15 (fifteen) days prior to the relevant interest payment date, relevant Redemption Date for NCDs issued under this Draft Prospectus. In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the record date and the date of redemption. In event the Record Date falls on a Sunday or holiday of Depositories, the succeeding working day or a date notified by the Company to the stock exchange shall be considered as Record Date.
Settlement mode of instrument	Please see "*Terms of the Issue - Payment on Redemption*" on page 252.

All covenants of the Issue (including side letters, accelerated payment clause, etc.)	The Company shall comply with the representations and warranties, general covenants, negative covenants, reporting covenants and financial covenants as more specifically set out in the Debenture Trust Deed and as specified below. Any covenants later added shall be disclosed on the websites of the Stock Exchange, where the NCDs are proposed to be listed. ***A. Financial Covenants*** (a) Until the Final Settlement Date, the Company shall maintain a Capital Adequacy Ratio as may be prescribed by the RBI from time to time. ***B. Reporting Covenants*** Until the Final Settlement Date, the Company shall ensure that all the reporting covenants as per the provisions of SEBI LODR Regulations are complied with. a. The Company shall submit to the Debenture Trustee the following: i. Updated list of names and addresses of all the NCD Holders and the number of NCDs held by the NCD Holders; ii. Details of interest due but unpaid, if any, and reasons for the same; iii. Details of payment of interest made on the NCDs in the immediately preceding calendar quarter; iv. A statement indicating material deviations, if any in utilisation of the proceeds of the Debentures; v. Any events of default; vi. all grievances received from the NCD Holders; vii. any major or significant change in composition of its Board, which may amount to change in control as defined in the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; viii. any amalgamation, demerger, merger or corporate restructuring or reconstruction scheme proposed by the Company; ix. Quarterly/half yearly/annual financial results in compliance with applicable laws; x. any change in the Constitutional Documents of the Company; xi. promptly, and in any event within 2 (two) Business Days of receiving any notice of any application for winding up/insolvency having been made; xii. a certificate certifying maintenance of security cover; xiii. provide relevant documents/ information, as applicable, to enable the Debenture Trustee(s) to conduct continuous and periodic due diligence and monitoring of the Security Interest over the Hypothecated Assets; xiv. The number of grievances pending at the beginning of the quarter, the number and nature of grievances received from the NCD Holders during the quarter, resolved/disposed of by the Company in the quarter and those remaining unresolved by the Company and the reasons for the same; and xv. Statement that the Hypothecated Assets is sufficient to discharge the claims of the NCD Holders as and when they become due and as mentioned in the asset cover certificate. xvi. The Company shall ensure that all the reporting covenants as per the provisions of SEBI LODR Regulations are complied with including but not limited to the following: xvii. Promptly submit to the Debenture Trustee any information, as required by the Debenture Trustee; xviii. Inform the Stock Exchange and the Debenture Trustee all information having bearing on the performance/operation of the Company, any price sensitive information or any action that may affect the payment

	of interest or Redemption of the NCDs in terms of Regulation 51(2) of the SEBI (LODR) Regulations. xix. inform the Debenture Trustee the status of payment (whether in part or full) of NCDs within 1 (one) Business Day of the payment/redemption. b. The Company shall promptly inform the Debenture Trustee the details (if any) on corporate debt restructuring; fraud/defaults by promoter or key managerial personnel or by Company or arrest of key managerial personnel or promoter; and/or reference to National Company Law Tribunal or insolvency petitions (if any) filed by any creditor of the Company. c. The Company shall submit to the stock exchange for dissemination, along with the quarterly/annual financial results, all information required under Regulation 52(4) of the SEBI (LODR) Regulations and submit the financial statements to the Debenture Trustee on the same day. d. The Issuer shall, inter alia, supply and/or intimate to the Debenture Trustee: i. a certificate from an authorised officer of the Issuer with respect to the use of the proceeds raised through the issue of NCDs, as per the prescribed timelines; ii. prior to undertaking or entering into any amalgamation, demerger, merger or corporate restructuring or reconstruction scheme proposed; iii. that so long as the NCDs are outstanding, without the prior written approval of the Debenture Trustee, the Issuer shall not make material modification to the structure of the Debenture in terms of coupon, redemption or otherwise. Provided that prior approval of the Stock Exchange would also be required to make such material modifications; and such other covenants as specified in the Debenture Trust Deed. ***C. Affirmative Covenants*** The Company shall comply with the following covenants: a. Use of Proceeds as per the purpose of this Issue; b. Promptly inform the Debenture Trustee of any loss or damage by uncovered risks; c. Pay all reasonable costs and expenses; d. Payment of Rents, etc.; e. Preservation of corporate status; f. Payment of stamp duty as required under applicable laws; g. Prompt and expeditious redressal of investor grievances; h. Comply with investor education and protection fund requirements; i. Comply with any corporate governance requirements and fair practices code applicable to the Company; j. Comply with all Applicable Law (including but not limited to the Companies Act, the SEBI Listed NCDs Circulars, the SEBI Monitoring Circulars, the environmental, social and taxation related laws, all directions issued by the RBI to non-banking financial companies), the SEBI Debenture Trustees Regulations; k. Maintenance of adequate Security; l. Ensure execution of all transaction documents without any delay; m. Maintain internal control for the purpose of preventing fraud on amounts lent by the Company; and preventing money being used for money laundering or illegal purposes; n. Permit visits and inspection of books of records, documents and accounts to the Debenture Trustee; o. Keep proper books of account as required by applicable laws;

	p. Keep at its registered office, a register of the NCD Holders or ensure that the Depository maintains a register and index of beneficial owners of the dematerialised NCDs in their records; q. Ensure compliance with the provisions of the Foreign Account Tax Compliance Act ("FATCA"); and r. Comply with all listing and monitoring requirements. ***D. Negative Covenants*** The Company shall not take any action in relation to the items set out below without the prior written consent of the Debenture Trustee as prescribed under the Debenture Trust Deed: a. **Change of Business; Constitutional Documents** i. change the general nature of its business from that which is permitted as a housing finance company registered with the NHB; or ii. any changes, amendments, or modifications to its Constitutional Documents which would impact the consummation of the transactions contemplated under the Transaction Documents or otherwise prejudice/ adversely impact the rights/interest of the NCD Holders or in any manner alter the terms of the NCDs. b. **Dividend** i. declare or pay any dividend to its shareholders (including holders of preference shares, if any) during any Financial Year unless it has paid or made arrangements to pay all the dues to the NCD Holders up to the date on which the dividend is proposed to be declared or paid or has made satisfactory provisions thereof; or ii. if an Event of Default has occurred and is continuing, declare or pay any dividend to its shareholders (including holders of preference shares, if any). c. **Insolvency** The Company shall not, without the prior consent of the Debenture Trustee, voluntarily wind up or liquidate or dissolve its affairs or make any filing for initiation of corporate insolvency resolution process or liquidation under the Insolvency and Bankruptcy Code, 2016 or under any other Applicable Laws. d. ***NCD Terms*** The Company shall not make any modification to the structure of the NCDs in terms of coupon, conversion, redemption, or otherwise without the prior approval of the Stock Exchange and such prior approval of the Stock Exchange would be obtained only after: (a) approval of the Board and the Debenture Trustee; and (b) complying with the provisions of Act, SEBI NCS Regulations, SEBI LODR Regulations and circulars issued thereunder, including approval of the requisite majority of NCD Holders. Further, any proposal of restructuring received by Debenture Trustee shall be communicated to NCD Holders immediately. e. **Investments** The Company shall not, other than in its ordinary course of business, without the prior consent of the Debenture Trustee, make any investment by way of deposits, loans, bonds, share capital, or in any other form upon the occurrence of any Event of Default. f. **Encumbrance** The Company shall not, without the prior consent of the Debenture Trustee in case the Security Cover as prescribed in the Prospectus in not maintained,

	create or permit to subsist any encumbrance on any book debts of the Company on which hypothecation is created in relation to the NCDs issued pursuant to this Issue.
Description regarding security (where applicable) including type of security (movable/ immovable/ tangible etc.) type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest of the debenture holder over and above the coupon rate as specified in the Debenture Trust Deed and disclosed the Prospectus	The principal amount of the NCDs to be issued in terms of the Prospectus together with all interest due and payable on the NCDs, thereof shall be secured by way of hypothecation on pari-passu charge on the assets of the company comprising of loans and advances, receivables, investments, current & other assets held by the Company, created in favour of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed, except those receivables specifically and exclusively charged in favour of certain existing charge holders, such that a security cover of at least 100% of the outstanding principal amounts of the NCDs and interest thereon is maintained at all time until the Maturity Date. We have received necessary consents from the relevant debenture trustees and security trustees for ceding pari- passu charge in favour of the Debenture Trustee in relation to the NCDs. The NCDs shall be considered as secured only if the charged asset is registered with sub-registrar and RoC or CERSAI or Depository etc., as applicable, or is independently verifiable by the debenture trustee. Without prejudice to the aforesaid, in the event our Company fails to execute the Debenture Trust Deed within the period specified in Regulation 18(1) of the SEBI NCS Regulations or such other time frame as may be stipulated from time-to-time, our Company shall also pay interest of at least 2% (two per cent) per annum to the NCD holders, over and above the interest rate on the NCDs specified in this Prospectus, till the execution of the Debenture Trust Deed. The security shall be created prior to making the listing application for the NCDs with the Stock Exchange(s). For further details on date of creation of security/likely date of creation of security, minimum security cover etc., please refer to the "*Terms of the Issue – Security*" on page 240.
Issue documents	This Draft Prospectus, the Prospectus, read with any notices, corrigenda, addenda thereto, the Debenture Trust Deed and other documents, if applicable, and various other documents/ agreements/ undertakings, entered or to be entered by our Company with Lead Managers and/or other intermediaries for the purpose of the Issue including but not limited to the Issue Agreement read with the Addendum to the Issue Agreement, Debenture Trust Deed, the Debenture Trustee Agreement, the Tripartite Agreements, the Public Issue Account and Sponsor Bank Agreement, the Registrar Agreement and the Consortium Agreement. For further details, please see "*Material Contracts and Documents for Inspection*" on page 292.
Condition precedent to disbursement	The Issuer shall provide/ confirm to the Debenture Trustee: 1. A certified true copy of the latest charter documents of the Issuer, certified as correct, complete and in full force and effect by the appropriate officer; 2. certified true copies of relevant board resolutions; 3. The Company shall have obtained the Debenture Trustee consent letter from the Debenture Trustee; 4. The Issuer shall have obtained in-principle approval from the Stock Exchange for listing of the Debentures; 5. and such other conditions as set out in the Debenture Trust Deed and as specified in the SEBI NCS Regulations.
Condition subsequent to the disbursement	The Issuer shall provide/ confirm to the Debenture Trustee: 1. An end-use certificate from an independent Chartered Accountant, certifying the heads under which funds have been utilized in accordance with Offer Documents, within 30 (thirty) days of the Deemed Date of Allotment for the Debentures;

	2. Obtaining the final listing approval from the Stock Exchange in respect of the Issue; 3. and such other conditions as set out in the Debenture Trust Deed and as specified in the SEBI NCS Regulations
Events of default (including manner of voting/conditions of joining Inter Creditor Agreement)	Please refer to the section titled "*Terms of the Issue – Events of Default (including manner of voting/conditions of joining Inter Creditor Agreement)*" on page 242.
Creation of recovery expense fund	Our Company undertakes to deposit in the manner as maybe specified by SEBI from time to time the amount in the recovery expense fund and inform the Debenture Trustee regarding the creation of deposit in such fund and inform the Debenture Trustee regarding the deposit of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.
Conditions for breach of covenants (as specified in Debenture Trust Deed)	Upon occurrence of any default in the performance or observance of any term, covenant, condition or provision contained in the summary term sheet, the Debenture Trustee shall take necessary actions as mentioned in the Debenture Trust Deed.
Deemed date of Allotment	The date on which the Board of Directors/or the Operations Committee approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors/ or the Operations Committee thereof and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture Holders from the Deemed Date of Allotment.
Roles and responsibilities of the Debenture Trustee	Please see section titled "*Terms of the Issue – Trustees for the NCD Holders*" on page 241.
Risk factors pertaining to the Issue	Please see section titled "*Risk Factors*" on page 16.
Provisions related to Cross Default Clause	NA
Governing law and Jurisdiction	The governing law and jurisdiction for the purpose of the Issue shall be Indian law, and the competent courts of jurisdiction in Mumbai, India, respectively.
Working day convention	If the Interest Payment Date falls on a day other than a Working Day, the interest payment shall be made by our Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such Interest Payment Date were a Working Day. Further, the future Interest Payment Dates shall remain intact and shall not be changed because of postponement of such interest payment on account of it failing on a non-Working Day. If Redemption Date (also being the last Interest Payment Date) falls on a day that is not a Working Day, the Redemption Amount shall be paid by our Company on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment. The interest /redemption payments shall be made only on the days when the money market is functioning in Mumbai.

Notes:

** If there is any change in Coupon Rate pursuant to any event including elapse of certain time period or downgrade in rating, then such new Coupon Rate and events which lead to such change will be disclosed to the Stock Exchange.*

**In terms of Regulation 7 of the SEBI NCS Regulations, our Company will undertake this public issue of the NCDs in dematerialised form. Trading in NCDs shall be compulsorily in dematerialized form.*

*** This Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period* *indicated in the Prospectus, except that the Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or the Operations Committee, subject to relevant approvals (subject to a minimum period of three working days and a maximum period of 10 working days from the date of opening of this Issue). In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in an English daily national newspaper with wide circulation and a regional daily with wide circulation where the registered office of the Company is located (in all the newspapers in which pre-issue advertisement for opening of this Issue has been given on or before such earlier or initial date of Issue closure). On the Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchange. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 p.m. on one Working Day post the Issue Closing Date. For further details please see "General Information" on page 42.*

**For the list of documents executed/ to be executed, please see "Material Contracts and Documents for Inspection" on page 292.*

While the NCDs are secured to the tune of 100% of the principal and interest thereon in favour of Debenture Trustee, it is it the duty of the Debenture Trustee to monitor the security cover is maintained.

Debt securities shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the debenture trustee.

SPECIFIC TERMS FOR NCDs

As specified in the Prospectus.

Terms of payment

The entire face value per NCDs applied for will be blocked in the relevant ASBA Account maintained with the SCSB or under UPI mechanism (only for Retail Individual Investors), as the case may be, in the bank account of the Applicants that is specified in the ASBA Form at the time of the submission of the Application Form. In the event of Allotment of a lesser number of NCDs than applied for, our Company shall unblock the additional amount blocked upon application in the ASBA Account, in accordance with the terms specified in "*Terms of the Issue – Manner of Payment of Interest/ Refund*" on page 249.

Participation by any of the above-mentioned Investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.

The NCDs have not been and will not be registered, listed, or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. In particular, the NCDs have not been and will not be registered under the U.S. Securities Act, 1933, as amended (the "**Securities Act**") or the securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not sto, the registration requirements of the Securities Act and applicable state securities laws. The Issuer has not registered and does not intend to register under the U.S. Investment Company Act, 1940 in reliance on section 3(c)(7) thereof. This Draft Prospectus may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever, and in particular, may not be forwarded to any U.S. Person or to any U.S. address.

Applications may be made in single or joint names (not exceeding three). Applications should be made by Karta in case the Applicant is an HUF. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form.

This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form. Please ensure that such Applications contain the PAN of the HUF and not of the Karta.

In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

Day Count Convention

Interest shall be computed on an actual/actual basis i.e., on the principal outstanding on the NCDs as per the SEBI Master Circular.

Please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Draft Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the transferee of deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs subject to such Transferee holding the NCDs on the Record Date.

Effect of holidays on payments

If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Redemption Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment. The interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

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

For further details, see the section titled "*Issue Procedure*" on page 256.

TERMS OF THE ISSUE

Authority for the Issue

At the meeting of the Board of Directors of our Company held on April 16, 2024, the Board of Directors approved the issuance of NCDs of upto ₹ 7,000 million in FY 2023-24. The Operations Committee at its meeting held on April 19, 2024 approved public issue of NCDs of the face value ₹ 1,000 each, for an amount up to ₹ 1,000 million to the public. Further, the present borrowing is within the borrowing limits of ₹85,000 million under Section 180(1)(c) of the Companies Act, 2013 duly approved by the members of our Company on June 16, 2023.

Principal Terms and Conditions of the Issue

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI NCS Regulations, the Companies Act, the Memorandum and Articles of Association of our Company, the terms of this Draft Prospectus, the Prospectus, the Abridged Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Agreement and the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI/the Government of India/BSE/NSE, RBI, NHB, and/or other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

Ranking of NCDs

The NCDs would constitute secured obligations of ours and shall rank *pari passu* inter se, and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, thereof shall be secured by way of hypothecation on pari-passu charge on the assets of the company comprising of loans and advances, receivables, investments, current & other assets held by the Company, created in favour of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed, except those receivables specifically and exclusively charged in favour of certain existing charge holders, such that a security cover of at least 100% of the outstanding principal amounts of the NCDs and interest thereon is maintained at all time until the Maturity Date. We have received necessary consents from the relevant debenture trustees and security trustees for ceding pari- passu charge in favour of the Debenture Trustee in relation to the NCDs. The NCDs shall be considered as secured only if the charged asset is registered with sub-registrar and RoC or CERSAI or Depository etc., as applicable, or is independently verifiable by the debenture trustee. Without prejudice to the aforesaid, in the event our Company fails to execute the Debenture Trust Deed within the period specified in Regulation 18(1) of the SEBI NCS Regulations or such other time frame as may be stipulated from time-to-time, our Company shall also pay interest of at least 2% (two per cent) per annum to the NCD holders, over and above the interest rate on the NCDs specified in this Prospectus, till the execution of the Debenture Trust Deed. The security shall be created prior to making the listing application for the NCDs with the Stock Exchange(s).

The NCDs proposed to be issued under the Issue and all earlier issues of debentures outstanding in the books of our Company having corresponding assets as security, shall rank *pari passu* without preference of one over the other except that priority for payment shall be as per applicable date of redemption.

The Issuer, pursuant to the SEBI DT Master Circular has entered/shall enter into the Debenture Trustee Agreement with the Debenture Trustee and in furtherance thereof intends to enter into a deed of agreement with the Debenture Trustee, ("**Debenture Trust Deed**"), terms of which will govern the powers, authorities and obligations of the Debenture Trustee. The Issuer proposes to complete the execution and registration of the Debenture Trust Deed within the stipulated timeframe and shall utilize the funds only after the stipulated security has been created. Under the terms of the Debenture Trust Deed, the Issuer will covenant with the Debenture Trustee that it will pay the NCD Holders the principal amount on the NCDs on the relevant redemption date and also that it will pay the interest due on NCDs on the rate specified in this Draft Prospectus, the Prospectus and in the Debenture Trust Deed. The Debenture Trust Deed will also provide that the Issuer may withdraw any portion of the security and replace with another asset of the same or a higher value and shall ensure that the minimum security cover shall be maintained until the redemption of the NCDs.

Our Company is required to obtain permissions or consents from the prior creditors for proceeding with this Issue. Pursuant to SEBI Master Circular for Debenture Trustees, our Company undertakes, *inter alia*, that the assets on which charge is created are free from any encumbrances and if the assets are already charged, the permissions or consent to create second or pari passu charge on the assets of the Issuer have been obtained from the earlier creditors.

Our Company has applied to the prior creditors for such permissions or consents and has received such permissions or consents from all prior creditors.

Security

The principal amount of the NCDs to be issued in terms of the Prospectus together with all interest due and payable on the NCDs, thereof shall be secured by way of hypothecation on pari-passu charge on the assets of the company comprising of loans and advances, receivables, investments, current & other assets held by the Company, created in favour of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed, except those receivables specifically and exclusively charged in favour of certain existing charge holders, such that a security cover of at least 100% of the outstanding principal amounts of the NCDs and interest thereon is maintained at all time until the Maturity Date . We have received necessary consents from the relevant debenture trustees and security trustees for ceding pari-passu charge in favour of the Debenture Trustee in relation to the NCDs.

Our Company intends to enter into an indenture/deed with the Debenture Trustee, (**"Debenture Trust Deed"**) terms of which will govern the powers, authorities and obligations of the Debenture Trustee. Our Company proposes to complete the execution and registration of the Debenture Trust Deed within the stipulated timeframe and shall utilize the funds only after the stipulated security has been created. Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the NCD Holders the principal amount on the NCDs on the relevant redemption date and also that it will pay the interest due on NCDs on the rate specified in the Prospectus and in the Debenture Trust Deed. The Debenture Trust Deed will also provide that our Company may withdraw any portion of the security and replace with another asset of the same or a higher value.

Debenture Redemption Reserve

In accordance with recent amendments to the Companies Act, 2013, and the Companies (Share Capital & Debentures) Rules 2014, read with Rule 16 of the SEBI NCS Regulations, a listed company that intends to issue debentures to the public are no longer required to create a DRR for the purpose of redemption of debentures. Pursuant to the amendment to the Companies (Share Capital & Debentures) Rules 2014, notified on August 16, 2019, and as on the date of filing of this Draft Prospectus, our Company is not required to create DRR for the purpose of redemption of the NCDs. Accordingly, no debenture redemption reserve shall be created by our Company for the purpose of redemption of the NCDs or in connection with the Issue. Our Company shall, as per the Companies (Share Capital & Debentures) Rules 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 31st day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law. Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at 15% (fifteen percent) of the amount of the debentures maturing during the year ending on March 31 of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws:

1. in deposits with any scheduled bank, free from any charge or lien;
2. in unencumbered securities of the Central Government or any State Government;
3. in unencumbered securities mentioned in sub-clause (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882;
4. in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882:

Provided further that the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above.

Face Value

The face value of each NCD shall be ₹1,000.

Trustees for the NCD Holders

Our Company has appointed Beacon Trusteeship Limited to act as the Debenture Trustee for the NCD Holders in terms of Regulation 8 of the SEBI NCS Regulations and Section 71 (5) of the Companies Act, 2013 and the rules prescribed thereunder. Our Company and the Debenture Trustee will execute a Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us *pro tanto* to the NCD Holder(s).

The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

We and the Debenture Trustee will execute a Debenture Trust Deed, inter alia, specifying the powers, authorities and obligations of the Debenture Trustee and us. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us pro tanto to the NCD Holder(s).

Events of Default (including manner of voting/conditions of joining Inter Creditor Agreement)

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution, passed at a meeting of the NCD Holders, (subject to being indemnified and/or secured by the NCD Holders to its satisfaction), give notice to our Company specifying that the NCDs and/or any particular series of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice *inter alia* if any of the events listed below occurs. The description below is indicative and a complete list of events of default and its consequences will be specified in the Debenture Trust Deed.

Indicative list of Events of Default:

1. default in redemption of the debentures together with redemption premium, if any, interest accrued thereon as and when the same shall have become due and payable or payment of any other amounts in terms of the Debenture Trust Deed;
2. default is committed in payment of the principal amount of the NCDs on the due date(s);
3. default is committed in payment of any interest on the NCDs on the due date(s);
4. Default is committed in the performance of any other covenants, conditions or agreements on the part of the Company under the Debenture Trust Deed or the other Transaction Documents or deeds entered into between the Company and the Debenture Holder(s)/ Beneficial Owner(s)/ Debenture Trustee and such default shall have continued for a period of thirty (30) days after notice in writing thereof been given to the Company by the Debenture Holder(s)/ Beneficial Owner(s)/ Debenture Trustee for remedying such default;
5. Default is committed if any information given to the Company in this Draft Prospectus, the Prospectus, the Transaction Documents and/or other information furnished and/or the representations and warranties given/deemed to have been given by the Company to the Debenture Holder(s)/ Beneficial Owner(s) for financial assistance by way of subscription to the Debenture is or proves to be misleading or incorrect in any material respect or is found to be incorrect;
6. Default is committed if the Company is unable to or admits in writing its inability to pay its debts as they mature or proceedings for taking it into liquidation have been admitted by any competent court;
7. The Company has voluntarily or involuntarily become the subject of proceedings under any bankruptcy or insolvency law or suffered any action to be taken for its reorganisation, liquidation or dissolution;
8. Default is committed if any extraordinary circumstances have occurred which makes it impossible for the Company to fulfil its obligations under the Debenture Trust Deed and/or the Debentures; If the Company is unable to pay its debts
9. The Company ceases to carry on its business or gives notice of its intention to do so;
10. If it is certified by an accountant or a firm of accountants appointed by the Debenture Trustee that the liabilities of the Company exceed its assets;
11. Default is committed if any of the necessary clearances required or desirable in relation to the Company or the Debentures in accordance with any of the Transaction Documents is not received or is revoked or terminated, withdrawn, suspended, modified or withheld or shall cease to be in full force and effect which shall, in the reasonable opinion of Debenture Holder(s)/ Beneficial Owner(s), have material adverse effect on the Company or the Debentures;
12. Default is committed if the company enters into any arrangement or composition with its creditors or commits any acts of insolvency or winding up of the Company;
13. If the Company files a petition for reorganisation, arrangement, adjustment, winding up or composition of debts of the Company or have been admitted or makes an assignment for the benefit of its creditors generally and such proceeding (other than a proceeding commenced voluntarily by the Company is not stayed, quashed or dismissed);
14. If the Company is adjudged insolvent or takes advantage of any law for the relief of insolvent debtors;
15. If it becomes unlawful for the company to perform any of its obligations under any transaction document;

16. Default is committed if the occurrence of any event or condition which in the Debenture Trustee/ Beneficial Owner(s) reasonable opinion can constitute a material adverse effect;
17. Any security created at any time, any circumstance or event occurs which is prejudicial to or impairs or imperils or jeopardize or endangers any hypothecated properties or any part thereof or any event occurs which causes the Debenture Deed or any related agreement to become ineffective;
18. Any security created at any time, without prior written consent of the Debenture Trustee or unless otherwise provided for in the Debenture Trust Deed, the Company, attempts or purports to create any charge, mortgage, pledge, hypothecation, lien or other encumbrance over any of the hypothecated properties; and

Any other event described as an Event of Default in this Draft Prospectus, the Prospectus and the Transaction Documents. In accordance with the SEBI Master Circular for Debenture Trustees, post the occurrence of a "default", the consent of the NCD Holders for entering into an inter-creditor agreement (the "**ICA**")/enforcement of security shall be sought by the debenture trustee after providing a notice to the investors in the manner stipulated under applicable law. Further, the meeting of the NCD Holders shall be held within the period stipulated under applicable law. In case(s) where majority of investors express their consent to enter into the ICA, the debenture trustee shall enter into the ICA on behalf of the investors upon compliance with the conditions as stipulated in the abovementioned circular. In case consents are not received for signing the ICA, the debenture trustee shall take further action, if any, as per the decision taken in the meeting of the investors. The consent of the majority of investors shall mean the approval of not less than 75% of the investors by value of the outstanding debt and 60% of the investors by number at the ISIN level.

Regulation 51 read with the Explanation to Clause A (11) in Part B of Schedule III of the SEBI Listing Regulations, defines 'default' as non-payment of interest or principal amount in full on the pre-agreed date which shall be recognized at the first instance of delay in the servicing of any interest or principal on debt.

It is hereby confirmed, in case of an occurrence of a "default", the Debenture Trustee shall abide and comply with the procedures mentioned in the SEBI Master Circular for Debenture Trustees.

NCD Holder not a Shareholder

The NCD Holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company, except to the extent of the right to receive the annual reports of our Company and such other rights as may be prescribed under the Companies Act, 2013 and the rules prescribed thereunder and the SEBI Listing Regulations.

Rights of NCD Holders

Some of the significant rights available to the NCD Holders are as follows:

1. The NCDs shall not, except as provided in the Companies Act, 2013, our Memorandum and Articles of Association and/or the Debenture Trust Deed, confer upon the holders thereof any rights or privileges available to our Company's members/shareholders including, without limitation, the right to attend and/or vote at any general meeting of our Company's members/shareholders. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members/shareholders of our Company, the said resolution will first be placed before the concerned registered NCD Holders for their consideration.

2. In terms of Section 136 (1) of the Companies Act, 2013, holders of NCDs shall be entitled to a copy of the balance sheet and copy of trust deed at the Registered Office of our Company during business hours.

3. Subject to the above and the applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, including requirements of the RBI, NHB, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution passed at a meeting of the concerned NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.

4. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, the registered NCD Holder or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned NCD Holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the NCD Holders shall be in proportion to the outstanding nominal value

of NCDs held by him/her.

5. The NCDs are subject to the provisions of the SEBI NCS Regulations, the Companies Act, 2013, the Memorandum and Articles of Association of our Company, the terms of this Draft Prospectus, the Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, NHB other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the NCDs.

6. For the NCDs issued in dematerialized form, the Depositories shall also maintain the upto date record of holders of the NCDs in dematerialized Form. For NCDs in dematerialized form, all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the person for the time being appearing in the register of beneficial owners of the Depository. In terms of Section 88(3) of the Companies Act, 2013, the register and index of beneficial of NCDs maintained by a Depository for any NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a Register of NCD Holders for this purpose. The same shall be maintained at the registered office of our Company under Section 94 of the Companies Act, 2013 unless the same has been moved to another location after obtaining the consent of the NCD holders.

7. Subject to compliance with RBI requirements, the NCDs can be rolled over only with the consent of the holders of at least 75% of the outstanding amount of the NCDs after providing 15 days prior notice for such roll over and in accordance with the SEBI NCS Regulations. Our Company shall redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over. The roll-over of NCDs shall be as per regulation 39 of SEBI NCS Regulations.

The aforementioned rights of the NCD holders are merely indicative. The final rights of the NCD holders will be as per the terms of this Draft Prospectus, the Prospectus and the Debenture Trust Deed.

Nomination facility to NCD Holder

In accordance with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014 ("**Rule 19**") read with the applicable provisions of the Companies Act, 2013, the sole NCD holder, or first NCD holder, along with other joint NCD Holders' (being individual(s)), may nominate, in the **Form No. SH.13,** any one person with whom, in the event of the death of Applicant the NCDs were Allotted, if any, will vest. Where the nomination is made in respect of the NCDs held by more than one person jointly, all joint holders shall together nominate in **Form No.SH.13** any person as nominee. A nominee entitled to the NCDs by reason of the death of the original holder(s), will, in accordance with Rule 19 and Section 56 of the Companies Act, 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the NCDs. Where the nominee is a minor, the NCD holder(s) may make a nomination to appoint, in **Form No. SH.14**, any person to become entitled to NCDs in the event of the holder's death during minority. A nomination will stand rescinded on a sale/transfer/alienation of NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or with the Registrar to the Issue.

NCD Holder(s) are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCD(s) to the nominee in the event of demise of the NCD Holder(s). The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with Rule 19 read with the applicable provisions of the Companies Act 2013, any person who becomes a nominee by virtue of the Rule 19 read with the applicable provisions of the Companies Act 2013, will on the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as holder of NCDs; or
- to make such transfer of the NCDs, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all interests or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

Since the allotment of NCDs will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the

Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Mumbai, India.

Application in this Issue

Applicants shall apply in this Issue in dematerialised form only, through a valid Application Form filled in by the Applicant along with attachment, as applicable. Further, Applications in the Issue shall be made through the ASBA facility only (including Applications made by UPI Investors under the UPI Mechanism).

In terms of Regulation 7 of the SEBI NCS Regulations, our Company will make public issue of the NCDs in the dematerialised form only. However, in the terms of Section 8(1) of the Depositories Act, our Company at the request of the Investors who wish to hold the NCDs in physical form will rematerialise the NCDs. However, trading of the NCDs shall be compulsorily in dematerialised form only.

Form of Allotment and Denomination of NCDs

As per the SEBI NCS Regulations, the trading of the NCDs on the Stock Exchange shall be in dematerialized form only in multiples of 1 (one) NCD ("**Market Lot**"). Allotment in the Issue to all Allottees, will be in electronic form i.e. in dematerialised form and in multiples of one NCD.

For details of allotment refer to chapter titled "*Issue Procedure*" beginning on page 256.

Transfer/Transmission of NCD(s)

The NCDs shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transfer or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar.

In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

Please see "*Terms of the Issue – Interest and Payment of Interest*" on page 247 for the implications on the interest applicable to NCDs held by Individual Investors on the Record Date and NCDs held by Non-Individual Investors on the Record Date.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 ("**SEBI LODR IV Amendment**"), NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred except by way of transmission or transposition, from December 4, 2018. However, any trading of the NCDs issued pursuant to the Issue shall be compulsorily in dematerialized form only. The procedure for transmission of securities has been further simplified vide the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2022 ("**LODR Amendment Regulations**") Gazette Notification no. SEBI/LAD-NRO/GN/2022/80 dated April 25th, 2022).

Title

In case of:

(i) the NCDs held in the dematerialised form, the person for the time being appearing in the record of beneficial owners maintained by the Depository; and

(ii) the NCD held in physical form, pursuant to any rematerialisation, the person for the time being appearing in the Register of NCD Holders as NCD Holder,

shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person as the holder thereof and its absolute owner for all purposes regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the Consolidated NCD Certificate issued in respect of the NCDs and no person will be liable for so treating the NCD Holder.

Procedure for Rematerialisation of NCDs

NCD Holders who wish to hold the NCDs in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. Holders of the NCDs who propose to rematerialize their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to our Company and the Depository Participant. No proposal for rematerialisation of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such rematerialisation.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 ("**SEBI LODR IV Amendment**"), NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred except by way of transmission or transposition, from December 4, 2018. However, any trading of the NCDs issued pursuant to the Issue shall be compulsorily in dematerialized form only.

Register of NCD Holders

No transfer of title of a NCD will be valid unless and until entered on the Register of NCD Holders (for re materialized NCDs) or the register and index of NCD Holders maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or Redemption Amount, as the case may be, will be paid to the person, whose name appears first in the Register of NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar.The provisions relating to transfer and transmission and other related matters in respect of our Company's shares contained in the Articles of Association of our Company and the Companies Act shall apply, mutatis mutandis (to the extent applicable) to the NCDs as well.

Restriction on transfer of NCDs

There are no restrictions on transfers and transmission of NCDs allotted pursuant to the Issue. NCDs held in physical form, pursuant to any re-materialisation, as above, cannot be transferred. However, any trading of the NCDs issued pursuant to the Issue shall be compulsorily in dematerialized form only.

Succession

Where NCDs are held in joint names and one of the joint holders dies, the survivor(s) will be recognized as the NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased NCD Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased NCD Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the debentures. In the event of demise of the sole or first holder of the Debentures, our Company will recognise the executors or administrator of the deceased NCD Holders, or the holder of the succession certificate or other legal representative as having title to the Debentures only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. The directors of our Company in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation.

Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied with:

1. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the NCDs were acquired by the non-resident Indian as part of the legacy left by the deceased NCD Holder.
2. Proof that the non-resident Indian is an Indian national or is of Indian origin.
3. Such holding by a non-resident Indian will be on a non-repatriation basis.

Joint-holders

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

Period of subscription

ISSUE PROGRAMME**	
ISSUE OPENS ON	*As specified in the Prospectus*
ISSUE CLOSES ON	*As specified in the Prospectus*
PAY IN DATE	*As specified in the Prospectus*
DEEMED DATE OF ALLOTMENT	*As specified in the Prospectus*

*** The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated in the Prospectus, except that the Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or the Operations Committee, subject to relevant approvals (subject to a minimum period of three working days and a maximum period of 10 working days from the date of opening of this Issue). In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in an advertisement in an English daily national newspaper with wide circulation and a regional daily with wide circulation where the registered office of the Company is located (in all the newspapers in which pre-issue advertisement for opening of this Issue has been given on or before such earlier or initial date of Issue closure). On the Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchange. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 p.m. on one Working Day post the Issue Closing Date. For further details please see "General Information" on page 42.*

Applications Forms for the Issue will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange, during the Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday), (a) by the Designated Intermediaries at the Bidding Centres, or (b) by the SCSBs directly at the Designated Branches of the SCSBs. On the Issue Closing Date, Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. or such extended time as may be permitted by the Stock Exchange. It is clarified that the Applications not uploaded on the Stock Exchange Platform would be rejected. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 p.m. on one Working Day after the Issue Closing Date. For further details please refer to the chapter titled "Issue Related Information" on page 231.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Lead Managers or Trading Members of the Stock Exchange are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment under the Issue will be on a date priority basis, except on the day of oversubscription, if any, where the Allotment will be proportionate in accordance with SEBI Master Circular.

Interest and Payment of Interest

As specified in the Prospectus

Basis of payment of Interest

The Tenor, Coupon Rate / Yield and Redemption Amount applicable for each Series of NCDs shall be determined at the time of Allotment of NCDs pursuant to this Draft Prospectus. NCDs once allotted under any particular Series of NCDs shall continue to bear the applicable Tenor, Coupon/Yield and Redemption Amount as at the time of original Allotment irrespective of the category of NCD Holder on any Record Date, and such tenor, coupon/ yield and redemption amount as at the time of original allotment will not be impacted by trading of any series of NCDs between the categories of persons or entities in the secondary market.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the Investors. In such cases, interest, on the interest payment date, would be directly credited to the account of those Investors who have given their bank mandate.

We may offer the facility of NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to help NCD Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. Please see "*Terms of the Issue – Manner of Payment of Interest / Refund*" at page 249.

Taxation

Income Tax is deductible at source at the rate of 10% on interest on debentures held by resident Indians (other than insurance companies), at the time of credit / payment, as per the provisions of Section 193 of the IT Act. I. Further, Tax will be deducted at source at reduced rate or no tax will be deducted at source in the following cases:

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

b) When the resident Debenture Holder with Permanent Account Number ("**PAN**") (not being a company or a firm) submits a declaration as per the provisions of section 197A(1A) of the IT Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However, under section 197A(1B) of the IT Act, Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the dividend income referred to in section 194, interest on securities, interest, withdrawal from NSS and income from units of mutual fund or of 236 Unit Trust of India as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the financial year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax;

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

d) In all other situations, tax would be deducted at source as per prevailing provisions of the IT Act.

Form No.15G with PAN / Form No.15H with PAN / Certificate issued u/s 197(1) has to be filed with the Company before the prescribed date of closure of books for payment of debenture interest without any withholding tax.

The aforesaid documents, as may be applicable, should be submitted at the office of the Registrar to the Issue quoting the name of the sole/ first NCD Holder, NCD folio number and the distinctive number(s) of the NCD held, at least seven days prior to the Record Date to ensure non-deduction/lower deduction of tax at source from interest on the NCD. The investors need to submit Form 15H/ 15G/certificate in original with the Assessing Officer for each Fiscal during the currency of the NCD to ensure non-deduction or lower deduction of tax at source from interest on the NCD.

Tax exemption certificate/document, if any, must be lodged at the office of the Registrar to the Issue at least seven days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company's books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted. Please also see, "*Statement of Possible Tax Benefits*" on page 58. Subject to the terms and conditions in connection with computation of applicable interest on the Record Date, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Draft Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs. Subject to the terms and conditions in connection with computation of applicable interest on the Record Date as stated in the section titled "*Issue Procedure*" on page 256. please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Draft Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the transferee of the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.

Day Count Convention

Interest shall be computed on an actual/actual basis on the principal outstanding on the NCDs as per the SEBI Master Circular.

Effect of holidays on payments

If the Interest Payment Date falls on a day other than a Working Day, the interest payment shall be made by our Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such Interest Payment Date were a Working Day. Further, the future Interest Payment Dates shall remain intact and shall not be changed because of postponement of such interest payment on account of it falling on a non-Working Day. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force, as applicable.

If Redemption Date (also being the last Interest Payment Date) falls on a day that is not a Working Day, the Redemption Amount shall be paid by our Company on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment. The interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

Illustration for guidance in respect of the day count convention and effect of holidays on payments:

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Master Circular as specified in the Prospectus.

Maturity and Redemption

The manner of payment of interest / refund / redemption in connection with the NCDs is set out below:

The bank details will be obtained from the Depositories for payment of interest / refund / redemption as the case may be. Applicants who have applied for or are holding the NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of interest / refund / redemption amounts to the Applicant at the Applicant's sole risk, and neither the Lead Managers our Company nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

Application Size

Each Application should be for a minimum of 10 NCDs and in multiples of one NCD thereof. Applicants can apply for any or all types of NCDs offered hereunder (any/all series) provided the Applicant has applied for minimum application size using the same Application Form.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Principal Redemption Schedule and Redemption Amounts

As specified in the Prospectus.

Terms of Payment

The entire issue price of ₹ 1,000 per NCD is payable on application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall instruct the SCSBs to unblock the excess amount blocked on application in accordance with the terms of the Prospectus.

Manner of Payment of Interest / Refund

The manner of payment of interest / refund in connection with the NCDs is set out below:

The bank details will be obtained from the Depositories for payment of Interest / refund / redemption as the case may be. Applicants are advised to keep their bank account details as appearing on the records of the depository participant updated at all points of time. Please note that failure to do so could result in delays in credit of Interest/ Redemption Amounts at the Applicant's sole risk, and the Lead Managers, our Company or the Registrar shall have no responsibility and undertake no liability for the same.

In case of NCDs held in physical form, on account of rematerialisation, the bank details will be obtained from the documents submitted to the Company along with the rematerialisation request. For further details, please see "*Terms of the Issue – Procedure for Rematerialisation of NCDs*" on page 246.

The mode of interest / refund / redemption payments shall be undertaken in the following order of preference:

1. **Direct Credit**

   Investors having their bank account with the Refund Bank, shall be eligible to receive refunds/interest/ redemption amount, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Banker.

2. **NACH**

   National Automated Clearing House which is a consolidated system of ECS. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition ("**MICR**") code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS**.**

3. **RTGS**

   Applicants having a bank account with a participating bank and whose interest payment/ refund/ redemption amounts exceed ₹200,000, or such amount as may be fixed by RBI from time to time, have the option to receive refund through RTGS. Such eligible Applicants who indicate their preference to receive interest payment/ refund/ redemption through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrar to the Issue at least seven days prior to the Record Date. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest payment/ refund/ redemption shall be made through NACH subject to availability of complete bank account details for the same as stated above.

4. **NEFT**

   Payment of interest/ refunds/ redemption shall be undertaken through NEFT wherever the Applicants' banks have been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to a Magnetic Ink Character Recognition ("**MICR**"), if any, available to that particular bank branch. The IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest/ refund/ redemption will be made to the applicants through this method.

5. **Registered Post/Speed Post**

   For all other applicants, including those who have not updated their bank particulars with the MICR code, the interest payment / refund / redemption orders shall be dispatched through speed post/registered post.

   Please note that applicants are eligible to receive payments through the modes detailed in (1), (2) (3), and (4) herein above provided they provide necessary information for the above modes and where such payment facilities are allowed/ available.

   Please note that our Company shall not be responsible to the holder of NCDs, for any delay in receiving credit of interest/ refund / redemption so long as our Company has initiated the process of such request in time.

   In case of ASBA Applicants, the Registrar to the Issue will issue requisite instructions to the relevant SCSBs to unblock amounts in the ASBA Accounts of the Applicants representing the amounts to be refunded to the Applicants.

6. The Registrar to the Issue shall instruct the relevant SCSB or in case of Bids by Retail Individual Investors applying through the UPI Mechanism to the Sponsor Bank, to revoke the mandate and to unblock the funds in the relevant

ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within six Working Days of the Issue Closing Date.

Printing of Bank Particulars on Interest/redemption Warrants

As a matter of precaution against possible fraudulent encashment of refund orders and interest/redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders/ warrants. NCDs applied and held in dematerialized form, these particulars would be taken directly from the depositories. Bank account particulars will be printed on the orders/ warrants which can then be deposited only in the account specified.

Buy Back of NCDs

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buyback of NCDs, upon such terms and conditions as may be decided by our Company.

Our Company may from time to time invite the NCD Holders to offer the NCDs held by them through one or more buy-back schemes and/or letters of offer upon such terms and conditions as our Company may from time to time determine, subject to applicable statutory and/or regulatory requirements. Such NCDs which are bought back may be extinguished, re-issued and/or resold in the open market with a view of strengthening the liquidity of the NCDs in the market, subject to applicable statutory and/or regulatory requirements.

Form and Denomination of NCDs

In case of NCDs held in physical form on account of rematerialisation, a single certificate will be issued to the NCD Holder for the aggregate amount of the NCDs held ("**Consolidated Certificate**"). The Applicant can also request for the issue of NCD certificates in denomination of one NCD ("**Market Lot**"). In case of NCDs held under different Options, by an NCD Holder, separate Consolidated Certificates will be issued to the NCD Holder for the aggregate amount of the NCDs held under each Option.

It is, however, distinctly to be understood that the NCDs pursuant to this Issue shall be traded only in dematerialized form.

In respect of Consolidated Certificates, only upon receipt of a request from the NCD Holder, the Consolidated Certificates would be split into smaller denominations, subject to the minimum of Market Lot. No fee would be charged for splitting of NCD certificates in Market Lots, but stamp duty payable, if any, would be borne by the NCD Holder. The request for splitting should be accompanied by the original NCD certificate, which would then be treated as cancelled.

Procedure for redemption by NCD Holders

The procedure for redemption is set out below:

NCDs held in physical form on account of re-materialization

No action would ordinarily be required on the part of the NCD Holder at the time of redemption and the redemption proceeds would be paid to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. However, our Company may require that the NCD certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the NCD certificates) be surrendered for redemption on maturity and should be sent by the NCD Holders by Registered Post with acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time to time. NCD Holders may be requested to surrender the NCD certificates in the manner as stated above, not more than three months and not less than one month prior to the redemption date so as to facilitate timely payment.

We may at our discretion redeem the NCDs without the requirement of surrendering of the NCD certificates by the holder(s) thereof. In case we decide to do so, the holders of NCDs need not submit the NCD certificates to us and the redemption proceeds would be paid to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of redemption of NCDs. In such case, the NCD certificates would be deemed to have been cancelled.

NCDs held in electronic form

No action is required on the part of NCD Holder(s) at the time of redemption of NCDs.

Payment on redemption

The manner of payment of redemption is set out below:

NCDs held in physical form on account of re-materialization

The payment on redemption of the NCDs will be made by way of cheque/pay order/ electronic modes. However, if our Company so requires, the aforementioned payment would only be made on the surrender of NCD certificates, duly discharged by the sole holder/ all the joint-holders (signed on the reverse of the NCD certificates). Dispatch of cheques/ pay orders, etc. in respect of such payment will be made on the redemption date or (if so requested by our Company in this regard) within a period of 30 days from the date of receipt of the duly discharged NCD certificate.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the redemption date to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption.

Our liability to NCD Holders towards their rights including for payment or otherwise shall stand extinguished from the redemption in all events and when we dispatch the redemption amounts to the NCD Holders.

NCDs held in electronic form

On the redemption date, redemption proceeds would be paid by cheque /pay order / electronic mode to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Record Date fixed for the purpose of redemption. These NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of NCD Holders.

Our liability to NCD Holder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the date of redemption in all events and when we dispatch the redemption amounts to the NCD Holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

**In the event, the interest / payout of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹ 1,837.5, then the amount shall be rounded off to ₹ 1,838.*

Right to Reissue NCD(s)

Subject to the provisions of the Companies Act, 2013, where we have fully redeemed or repurchased any NCD(s), we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or reissue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or reissuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

Sharing of Information

Our Company may, at its option, use on our own, as well as exchange, share or part with any financial or other information about the NCD Holders available with us and our affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the NCD Holder(s) required to be given by us or the Debenture Trustee shall be published in one English language newspaper having wide circulation and one regional language daily newspaper in Mumbai and/or will be sent by speed post/ courier or through email or other electronic media to the Registered Holders of the NCD(s) from time to time.

Future Borrowings

Our Company will be entitled to borrow/raise loans or avail of financial assistance in whatever form as also to issue debentures/ NCDs/other securities in any manner having such ranking in priority, *pari passu* or otherwise, subject to applicable consents, approvals or permissions that may be required under any statutory/regulatory/contractual requirement, and change the capital structure including the issue of shares of any class, on such terms and conditions as we may think appropriate, provided stipulated security cover is maintained on the NCDs and after obtaining the consent of, or intimation to, the NCD Holders or the Debenture Trustee regarding the creation of a charge over such security.

Impersonation

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

"Any person who- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447 of the Companies Act, 2013."

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹ 10 lakh or 1.00% of the turnover of our Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 10 lakh or 1.00% of the turnover of our Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹20 lakh or with both.

Pre-closure

Our Company, in consultation with the Lead Managers reserves the right to close the Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription or as may be specified in this Draft Prospectus. Our Company shall allot NCDs with respect to the Applications received until the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of the Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure is published on or before such early date of closure or the Issue Closing Date, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement have been given.

Minimum subscription

In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75% of Base Issue Size, prior to the Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 8 Working Days from the Issue Closing Date, failing which our Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

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

Utilisation of Application Amount

The sum received in respect of the Issue will be kept in separate bank account(s) and we will have access to such funds only upon allotment of the NCDs, execution of Debenture Trust Deeds and on receipt of listing and trading approval from the Stock Exchange as per applicable provisions of law(s), regulations and approvals.

Utilisation of Issue Proceeds

(a) All monies received pursuant to the issue of NCDs to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

(b) Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised; and

(c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.

(d) Our Company shall utilize the Issue proceeds only up on (i) receipt of minimum subscription; (ii) completion of Allotment in compliance with Section 40 of the Companies Act, 2013; (ii) receipt of listing and trading approval from Stock Exchange and (iii) only upon execution of the documents for creation of security.

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

(f) Details of all utilized and unutilized monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized and the securities or other forms of financial assets in which such unutilized monies have been invested.

Filing of the Prospectus with the RoC

A copy of the Prospectus shall be filed with the RoC, in accordance with Section 26 and Section 31 of Companies Act, 2013.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will be issued in compliance with the Regulation 30(1) of SEBI NCS Regulations and shall contain the information as prescribed in the SEBI NCS Regulations and Section 30 of the Companies Act, 2013.

Material updates, if any, between the date of filing of the Prospectus with ROC and the date of release of the statutory advertisement will be included in the statutory advertisement information as prescribed under SEBI NCS Regulations.

Listing

The NCDs offered through this Draft Prospectus are proposed to be listed on the BSE. Our Company has obtained an 'in-principle' approval for the Issue from the BSE *vide* their letter dated [•]. For the purposes of the Issue, BSE shall be the Designated Stock Exchange.

Our Company will use best efforts to ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange are taken within 6 Working Days of the Issue Closing Date. For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the series, such series(s) of NCDs shall not be listed.

Guarantee/Letter of Comfort

The Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

Arrangers

No arrangers have been appointed for this Issue.

Monitoring and Reporting of Utilisation of Issue Proceeds

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. The Audit Committee shall monitor the utilization of the proceeds of the Issue. For the relevant Fiscals commencing from the Fiscal 2023- 2024, our Company will disclose in our financial statements, the utilization of the net proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue.

Lien

Our Company will have the right of set-off and lien, present as well as future on the moneys due and payable to the NCD Holder, to the extent of all outstanding dues, if any by the NCD Holder to our Company.

Lien on Pledge of NCDs

Subject to applicable law, our Company, at its discretion, may record a lien on pledge of NCDs if such pledge of NCDs is accepted by any bank or institution for any loan provided to the NCD Holder against pledge of such NCDs as part of the funding.

ISSUE PROCEDURE

*This section applies to all Applicants. Specific attention of all Applicants is invited to the SEBI Master Circular, which provides, inter-alia, that for all public issues of debt securities all Applicants shall mandatorily use the ASBA facility for participating in the Issue. ASBA Applicants and Applicants applying through the Direct Online Application Mechanism (as defined hereinafter) should note that the ASBA process and the Direct Online Application Mechanism involve application procedures that are different from the procedure applicable to all other Applicants. Please note that all Applicants are required to pay the full Application Amount or ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application. Further in terms of the SEBI Master Circular retail individual investor may use the Unified Payment Interface ("**UPI**") to participate in the public issue for an amount up to ₹ 500,000 through the app/web interface of the Stock Exchange or through intermediaries (Consortium members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants).*

Applicants should note that they may submit their Applications to the Designated Intermediaries at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs as mentioned on the Application Form. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Draft Prospectus.

Please note that this section has been prepared based on the SEBI Master Circular and the notifications issued by BSE, in relation to the UPI Mechanism, dated December 28, 2020.

Specific attention is drawn to the SEBI Master Circular which provides for allotment in public issues of debt securities to be made on the basis of the date of upload of each application into the electronic book of the Stock Exchange, as opposed to the date and time of upload of each such application.

Our Company and the Lead Managers 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 the applicable law which may occur after the date of this Draft Prospectus. Investors are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws.

Further, the Company and the Lead Managers are not liable for any adverse occurrences consequent to the UPI Mechanism for application in the Issue.

PLEASE NOTE THAT ALL DESIGNATED INTERMEDIARIES WHO WISH TO COLLECT AND UPLOAD APPLICATION IN THE ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE WILL NEED TO APPROACH THE STOCK EXCHANGE AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE STOCK EXCHANGE. THE FOLLOWING SECTION MAY CONSEQUENTLY UNDERGO CHANGE BETWEEN THE DATES OF THIS DRAFT PROSPECTUS, THE ISSUE OPENING DATE AND THE ISSUE CLOSING DATE.

THE LEAD MANAGERS, THE CONSORTIUM MEMBERS AND OUR COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF TRADING MEMBERS/DESIGNATED INTERMEDIARIES IN CONNECTION WITH THE RESPONSIBILITY OF TRADING MEMBERS/DESIGNATED INTERMEDIARIES IN RELATION TO COLLECTION AND UPLOAD OF APPLICATION FORMS IN RESPECT OF THE ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY STOCK EXCHANGE. FURTHER, THE RELEVANT STOCK EXCHANGE WILL BE RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATIONS THROUGH TRADING MEMBERS/DESIGNATED INTERMEDIARIES REGISTERED WITH SUCH STOCK EXCHANGE.

Please note that for the purposes of this section, the term "Working Day" shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and holiday of commercial banks in Mumbai. Furthermore, for the purpose of post issue period, i.e. period beginning from Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of Stock Exchange excluding Sundays and bank holidays in Mumbai.

Availability of this Draft Prospectus, the Prospectus, Abridged Prospectus and Application Forms

The copies of this Draft Prospectus, the Prospectus, Abridged Prospectus together with Application Forms may be obtained from our Registered Office, Lead Managers to the Issue, Consortium Members for marketing of the Issue, the Registrar to the Issue and the Designated Branches of the SCSBs. Additionally, the Prospectus and the Application Forms will be available for download on the website of BSE at www.bseindia.com. A unique application number ("**UAN**") will be generated for every Application Form downloaded from the website of the Stock Exchange i.e. BSE at www.bseindia.com. Hyperlinks to the websites of the Stock Exchange for this facility will be provided on the websites of the Lead Managers and the SCSBs.

In addition, Application Forms would also be made available to all the recognised stock exchange. Further, Application Forms will also be provided to Trading Members at their request.

Our Company may provide Application Forms for being filled and downloaded at such websites as we may deem fit. The Issuer may also provide Application Forms for being downloaded and filled at such websites as it may deem fit. In addition, online demat account portals may also provide the facility of submitting the Application Forms online to their account holders'.

Retail Individual Investors making an Application upto ₹ 5 lakhs, using the UPI Mechanism, must provide the UPI ID in the relevant space provided in the Application Form. Application Forms that do not contain the UPI ID are liable to be rejected. UPI Investors applying using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

Who can apply?

The following categories of persons are eligible to apply in the Issue.

Category I

- Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;
- Provident funds and pension funds each with a minimum corpus of ₹ 250 million, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;
- Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
- Resident Venture Capital Funds registered with SEBI;
- Insurance companies registered with the IRDAI;
- State industrial development corporations;
- Insurance funds set up and managed by the army, navy, or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, the Union of India;
- Systemically Important Non-Banking Financial Company registered with the RBI and having a net-worth of more than ₹ 5,000 million as per the last audited financial statements;
- National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and
- Mutual funds registered with SEBI.

Category II

- Companies within the meaning of Section 2(20) of the Companies Act, 2013; statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Co-operative banks and regional rural banks;
- Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners;
- Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009);
- Association of Persons; and
- Any other incorporated and/ or unincorporated body of persons.

Category III

- High Net-worth Individual Investors - Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10,00,000 across all options of NCDs in the Issue

Category IV

- Retail Individual Investors - Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹10,00,000 across all options of NCDs in the Issue and shall include Retail Individual Investors, who have submitted bid for an amount not more than ₹500,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) though UPI Mechanism.

Note: Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of Bonds that can be held by them under applicable statutory and or regulatory provisions.

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

The Lead Managers and their respective associates and affiliates are permitted to subscribe in the Issue.

The information below is given for the benefit of Applicants. Our Company and the Lead Managers are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus.

How to apply?

Availability of this Draft Prospectus, the Prospectus, Abridged Prospectus and Application Forms

Please note that there is a single Application Form for, persons resident in India.

Copies of the Abridged Prospectus containing the salient features of the Prospectus together with Application Forms and copies of the Prospectus may be obtained from our Registered Office, the Lead Managers, the Registrar to the Issue and the Designated Branches of the SCSBs. Additionally, the Prospectus and the Application Forms will be available:

(i) for download on the website of BSE at www.bseindia.com and the website of the Lead Managers at www.tipsons.com and www.nuvama.com.
(ii) at the designated branches of the SCSBs and the Consortium Members at the Specified Locations.

Electronic Application Forms will also be available on the website of the Stock Exchange. A unique application number ("**UAN**") will be generated for every Application Form downloaded from the websites of the Stock Exchange. Further, Application Forms will also be provided to Designated Intermediaries at their request.

Please note that there is a single Application Form for, persons resident in India.

Method of Application

In terms of the SEBI Master Circular an eligible investor desirous of applying in this Issue can make Applications through the ASBA mechanism only.

Applicants are requested to note that in terms of the SEBI Master Circular, SEBI has mandated issuers to provide, through a recognized Stock Exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility ("**Direct Online Application Mechanism**").

All Applicants shall mandatorily apply in the Issue through the ASBA process only. Applicants intending to subscribe in the Issue shall submit a duly filled Application form to any of the Designated Intermediaries.

Designated Intermediaries (other than SCSBs) shall submit/deliver the Application Form (except the Application Form from a Retail Individual Investor bidding using the UPI mechanism) to the respective SCSB, where such investor has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank.

Applicants should submit the Application Form only at the Bidding Centres, i.e. to the respective Consortium Members at the Specified Locations, the SCSBs at the Designated Branches, the Registered Broker at the Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available at http://www.sebi.gov.in.

The relevant Designated Intermediaries, upon receipt of physical Application Forms from Applicants, shall upload the details of these Application Forms to the online platform of the Stock Exchange and submit these Application Forms with the SCSB (except Application Form from RIBs using the UPI Mechanism) with whom the relevant ASBA Accounts are maintained.

For RIBs using UPI Mechanism, the Stock Exchange shall share the bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds.

For Applicants who submit the Application Form, in physical mode, the Application Form shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by the Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount has been blocked in the relevant ASBA Account. Further, all grievances against Designated Intermediaries in relation to the Issue should be made by Applicants directly to the relevant Stock Exchange.

In terms of the SEBI Master Circular, an eligible investor desirous of applying in this Issue can make Applications through the following modes:

1. *Self-Certified Syndicate Bank (SCSB) or intermediaries (viz. Consortium members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants)*

    a. An investor may submit the bid-cum-application form, with ASBA as the sole mechanism for making payment, physically at the branch of a SCSB, i.e. investor’s bank. For such applications, the existing process of uploading of bid on the Stock Exchange bidding platform and blocking of funds in investors account by the SCSB would continue.

    b. An investor may submit the completed bid-cum-application form to intermediaries mentioned above along with details of his/her bank account for blocking of funds. The intermediary shall upload the bid on the Stock Exchange bidding platform and forward the application form to a branch of a SCSB for blocking of funds.

    c. An investor may submit the bid-cum-application form with a SCSB or the intermediaries mentioned above and use his / her bank account linked UPI ID for the purpose of blocking of funds, if the application value is ₹5 Lakh or less. The intermediary shall upload the bid on the Stock Exchange bidding platform. The application amount would be blocked through the UPI mechanism in this case.

2. *Through Stock Exchange*

    a. An investor may submit the bid-cum-application form through the App or web interface developed by Stock Exchange (or any other permitted methods) wherein the bid is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI Mechanism.

    b. The Stock Exchange have extended their web-based platforms i.e. ‘BSE Direct’ to facilitate investors to apply in public issues of debt securities through the web based platform and mobile app with a facility to block funds through Unified Payments Interface (UPI) mechanism for application value up to ₹ 5 Lakh. To place bid through ‘BSEDirect’ platform/ mobile app the eligible investor is required to register himself/ herself with BSE Direct.

c. To further clarify the submission of bids through the App or web interface, the Stock Exchange has issued operational guidelines and circulars dated December 28, 2020 available at https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-60, and https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-61.

Application Size

Each Application should be for a minimum of 10 NCDs and in multiples of one NCD thereof.

Applicants can apply for any or all types of NCDs offered hereunder (any/all series) provided the Applicant has applied for minimum application size using the same Application Form.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

APPLICATIONS BY VARIOUS APPLICANT CATEGORIES

Applications by Mutual Funds

Pursuant to the SEBI circular SEBI/HO/IMD/IMD-PoD-1/CIR/P/2023/74 dated May 19, 2023 ("**SEBI Mutual Funds Master Circular**"), mutual funds are required to ensure that the total exposure of debt schemes of mutual funds in a particular sector shall not exceed 20% of the net assets value of the scheme. Further, the additional exposure limit provided for financial services sector not exceeding 10% of net assets value of scheme shall be allowed only by way of increase in exposure to HFCs. However the overall exposure in HFCs shall not exceed the sector exposure limit of 20% of the net assets of the scheme. Further, the group level limits for debt schemes and the ceiling be fixed at 10% of net assets value extendable to 15% of net assets value after prior approval of the board of trustees. A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which the Application is being made. An Application Form by a mutual fund registered with SEBI for Allotment of the NCDs must be also accompanied by certified true copies of (i) its SEBI registration certificates (ii) the trust deed in respect of such mutual fund (ii) a resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorized signatories. Failing this, the Issuer reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Application by Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks

Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks can apply in the Issue based upon their own investment limits and approvals. Applications by them for Allotment of the NCDs must be accompanied by certified true copies of (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) a board resolution authorising investments; and (iv) a letter of authorisation. Failing this, our Company reserves the right to accept or reject any Application for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Pursuant to SEBI Master Circular, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Application by Insurance Companies

Insurance companies registered with the IRDAI can apply in the Issue based on their own investment limits and approvals in accordance with the regulations, guidelines and circulars issued by the IRDAI. The Application Form must be accompanied by certified true copies of their (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) resolution authorising investments/containing operating instructions; and (iv) specimen signatures of authorised signatories.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Applications by Indian Alternative Investments Funds

Applications made by 'alternative investment funds' eligible to invest in accordance with the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, as amended (the "**SEBI AIF Regulations**") for Allotment of the NCDs must be accompanied by certified true copies of (i) SEBI registration certificate; (ii) a resolution authorising investment and containing operating instructions; and (iii) specimen signatures of authorised persons. The Alternative Investment Funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment

In case of Applications made by Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment, must submit a (i) certified copy of the certificate of registration or proof of constitution, as applicable, (ii) Power of Attorney, if any, in favour of one or more persons thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/ or regulatory provisions. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefore.**

Applications by Trusts

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) power of attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications by Public Financial Institutions or statutory corporations, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) any Act/ Rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) specimen signature of authorized person.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications made by companies, bodies corporate and societies registered under the applicable laws in India

The Application must be accompanied by certified true copies of: (i) any act/ rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Indian scientific and/ or industrial research organizations, which are authorized to invest in the NCDs

Applications by scientific and/ or industrial research organisations which are authorised to invest in the NCDs must be accompanied by certified true copies of: (i) any act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008

Applications made by partnership firms and limited liability partnerships formed and registered under the Limited Liability Partnership Act, 2008 must be accompanied by certified true copies of: (i) the partnership deed for such Applicants; (ii) any documents evidencing registration of such Applicant thereof under applicable statutory/regulatory requirements; (iii) a resolution authorizing the investment and containing operating instructions; and (iv) specimen signature of authorized persons of such Applicant.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications under a power of attorney by limited companies, corporate bodies and registered societies

In case of Applications made pursuant to a power of attorney by Applicants from Category I and Category II, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Application Form.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

In case of Applications made pursuant to a power of attorney by Applicants from Category III and Category IV, a certified copy of the power of attorney must be lodged along with the Application Form.
In case of physical ASBA Applications made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Application Form.

Failing this our Company, in consultation with the Lead Managers, reserves the right to reject such Applications. Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney along with the Application Forms subject to such terms and conditions that our Company and the Lead Managers may deem fit.

Brokers having online demat account portals may also provide a facility of submitting the Application Forms online to their account holders. Under this facility, a broker receives an online instruction through its portal from the Applicant for making an Application on his or her behalf. Based on such instruction, and a power of attorney granted by the Applicant to authorise the broker, the broker makes an Application on behalf of the Applicant.

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorized to invest in the NCDs

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorised to invest in the NCDs, for Allotment of the NCDs must be accompanied by certified true copies of: (i) any act/rules under which they are incorporated; (ii) a power of attorney, if any, in favour of one or more trustees thereof, (ii) a board resolution authorising investments; (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (iv) specimen signature of authorized person; (v) a certified copy of the registered instrument for creation of such fund/trust; and (vi) any tax exemption certificate issued by Income Tax authorities.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications by National Investment Funds

Application made by a National Investment Fund for Allotment of the NCDs must be accompanied by certified true copies of: (i) a resolution authorising investment and containing operating instructions; and (ii) specimen signatures of authorized persons.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications by Systematically Important Non-banking financial companies

Applications made by systematically important non-banking financial companies registered with the RBI and under other applicable laws in India must be accompanied by certified true copies of: (i) memorandum and articles of association/charter of constitution; (ii) power of attorney;(iii) board Resolution authorising investments; and (iii) specimen signature of authorized person.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

The Consortium Members and their respective associates and affiliates are permitted to subscribe in the Issue.

Applications cannot be made by:

a. Minors without a guardian name* (A guardian may apply on behalf of a minor. However, the name of the guardian will also need to be mentioned on the Application Form);
b. Foreign nationals, NRI *inter-alia* including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;
c. Persons resident outside India and other foreign entities;
d. Foreign Institutional Investors;
e. Foreign Portfolio Investors;
f. Non Resident Indians;
g. Qualified Foreign Investors;
h. Overseas Corporate Bodies**;
i. Foreign Venture Capital Funds; and
j. Persons ineligible to contract under applicable statutory/ regulatory requirements.

** Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872*
The Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange by the Designated Intermediaries.

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of such Applications, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange.

***The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in the Issue.*

Payment instructions

Payment mechanism for Applicants

An Applicant shall specify details of the ASBA Account Number in the Application Form and the relevant SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified in the Application Form.

An Applicant may submit the completed Application Form to designated intermediaries along with details of his/her bank account for blocking of funds. The intermediary shall upload the bid on the Designated Stock Exchange bidding platform and forward the application form to a branch of a SCSB for blocking of funds.

An Applicant (belonging to Category IV) may also submit the Application Form with a SCSB or the intermediaries mentioned above and use his / her bank account linked UPI ID for the purpose of blocking of funds, if the application value is ₹5 lakh or less. The intermediary shall upload the bid on the Stock Exchange bidding platform. The application amount would be blocked through the UPI Mechanism once the mandate request has been successfully accepted by the Applicant in this case.

An Applicant may submit the Application Form through the App or web interface developed by Stock Exchange wherein the bid is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI Mechanism once the mandate request has been successfully accepted by the Applicant.

Upon receipt of an intimation from the Registrar to the Issue, the SCSBs shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account in terms of the Public Issue Account and Sponsor Bank Agreement. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue to the respective SCSB within 6 (six) Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application, as the case may be.

For ASBA Applications submitted to the Lead Managers or Consortium Members or Trading Members of the Stock Exchange at the Specified Cities, the ASBA Application will be uploaded onto the electronic system of the Stock Exchange and deposited with the relevant branch of the SCSB at the Specified City named by such SCSB to accept such ASBA Applications from the Lead Managers or Trading Members of the Stock Exchange, as the case may be (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 Application Amount specified in the ASBA Application.

For ASBA Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application, before entering the ASBA Application into the electronic system of the Stock Exchange. SCSBs may provide the electronic mode of application either through an internet enabled application and banking facility or such other secured, electronically enabled mechanism for application and blocking of funds in the ASBA Account.

Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the ASBA Application to the Lead Managers or Consortium Members or Trading Members of the Stock Exchange, as the case may be, at the Specified Cities or to the Designated Branches of the SCSBs. An ASBA Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. 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 pertaining to NCDs allotted to the successful Applicants to the Public Issue Account(s). The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB within 5 Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the ASBA Application, as the case may be. 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.

Payment mechanism for Direct Online Applicants

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange and the Stock Exchange has confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchange. Hence, the Direct Online Application facility will not be available for the ***Issue.***

Additional information for Applicants

1. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected.

2. No separate receipts will be issued for the money blocked on the submission of Application Form. However, the collection centre of the Designated Intermediaries will acknowledge the receipt of the Application Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.

3. Applications should be submitted on the Application Form only. In the event that physical Application Form do not bear the stamp of the Designated Intermediaries, or the relevant Designated Branch, as the case may be, they are liable to be rejected.

4. Application Forms submitted by Applicants shall be for allotment of NCDs only in dematerialized form.

Additional Instructions for Retail Individual Investors using the UPI mechanism:

1. Before submission of the application form with the Designated Intermediary, a Retail Individual Investor shall download the mobile app for UPI and create a UPI ID (xyz@bankname) of not more than 45 characters with its bank and link it to his/ her bank account where the funds equivalent to the application amount is available.

2. The Retail Individual Investor shall fill in the bid details in the application form along with his/ her bank account linked UPI ID and submit the application with any of the intermediaries or through the stock exchange App/ Web interface.

3. The Designated Intermediary, upon receipt of form, shall upload the bid details along with the UPI ID on the Stock Exchange(s) bidding platform using appropriate protocols.

4. Once the bid has been entered in the bidding platform, the Stock Exchange(s) shall undertake validation of the PAN and Demat account combination details of investor with the depository.

5. The Depository shall validate the aforesaid PAN and Demat account details on a near real time basis and send response to Stock Exchange(s) which would be shared by the Stock Exchange(s) with the Designated Intermediaries through its platform, for corrections, if any.

6. Once the bid details are uploaded on the Stock Exchange(s) platform, the Stock Exchange(s) shall send an SMS to the investor regarding submission of his / her application, at the end of day, during the bidding period. For the last day of bidding, the SMS may be sent the next Working Day.

7. Post undertaking validation with the Depository, the Stock Exchange(s) shall, on a continuous basis, electronically share the bid details along with investors UPI ID, with the Sponsor Bank appointed by the Company.

8. The Sponsor Bank shall initiate a mandate request on the investor i.e. request the investor to authorize blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment.

9. The request raised by the Sponsor Bank, would be electronically received by the investor as a SMS / intimation on his / her mobile no. / mobile app, associated with the UPI ID linked bank account.

10. The investor shall be able to view the amount to be blocked as per his / her bid in such intimation. The investor shall be able to view an attachment wherein the bid details submitted by such investor will be visible. After reviewing the details properly, the investor shall be required to proceed to authorize the mandate. Such mandate raised by the Sponsor Bank would be a one-time mandate for each application in the Issue.

11. The investor is required to accept the UPI mandate latest by 5 pm on the third working day from the day of bidding on the stock exchange platform except for the last day of the Issue period or any other modified closure date of the Issue period in which case, he / she is required to accept the UPI mandate latest by 5 pm the next Working Day.

12. The investor shall not be allowed to add or modify the bid(s) of the application except for modification of either DP ID/Client ID, or PAN ID but not both. However, the investor can withdraw the bid(s) and reapply.

13. For mismatch bids, on successful validation of PAN and DP ID/ Client ID combination during T+1 (T being the Issue Closing Date) modification session, such bids will be sent to Sponsor Bank for further processing by the Exchange on T+1 (T being the Issue Closing Date) day till 1 pm

14. The facility of Re-initiation/ Resending the UPI mandate shall be available only till 5 pm on the day of bidding.

15. Upon successful validation of block request by the investor, as above, the said information would be electronically received by the investors' bank, where the funds, equivalent to application amount, would get blocked in investors account. Intimation regarding confirmation of such block of funds in investors account would also be received by the investor.

16. The information containing status of block request (e.g., accepted / decline / pending) would also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchange(s). The block request status would also be displayed on the Stock Exchange(s) platform for information of the intermediary.

17. The information received from Sponsor Bank, would be shared by Stock Exchange(s) with the Registrar to the Issue in the form of a file for the purpose of reconciliation.

18. Post closure of the Issue, the Stock Exchange(s) shall share the bid details with the Registrar to the Issue. Further, the Stock Exchange(s) shall also provide the Registrar to the Issue, the final file received from the Sponsor Bank, containing status of blocked funds or otherwise, along with the bank account details with respect to applications made using UPI ID.

Applicants are advised not to submit Application Forms to Public Issue Account Banks and the same will be rejected in such cases and the Applicants will not be entitled to any compensation whatsoever.

Filing of the Prospectus with ROC

A copy of the Prospectus shall be filed with the ROC in accordance with Section 26 and Section 31 of the Companies Act, 2013.

Pre-Issue Advertisement

Our Company will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will contain the information as prescribed under the SEBI NCS Regulations and Section 30 of the Companies Act, 2013. Material updates, if any, between the date of filing of the Prospectus and the date of release of the statutory advertisement will be included in the statutory advertisement.

Instructions for completing the Application Form

1. Applications must be made in the prescribed Application Form.

2. Application Forms are to be completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Prospectus and the Application Form. Incomplete Application Forms are liable to be rejected. Applicants should note that the Designated Intermediaries will not be liable for errors in data entry due to incomplete or illegible Application Forms.

3. Applications are required to be for a minimum of such NCDs and in multiples of one NCD thereafter as specified in the Issue Documents.

4. 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.

5. Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details and Applications should be made by Karta in case the Applicant is an HUF. Applicants are required to ensure that the PAN Details of the HUF are mentioned and not those of the Karta.

6. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.

7. Applicants applying for Allotment must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of the Stock Exchange by the Designated Intermediaries, as the case may be, the Registrar to the Issue will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.

8. Applicants must ensure that their Application Forms are made in a single name.

9. The minimum number of Applications and minimum application size shall be specified in the Prospectus. Applicants may apply for one or more series of NCDs Applied for in a single Application Form.

10. If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form.

11. Applicant should correctly mention the ASBA Account number and UPI ID in case applying through UPI Mechanism and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form and ensure that the signature in the Application Form matches with the signature in the Applicant's bank records.

12. All Applicants are required to tick the relevant column in the "Category of Investor" box in the Application Form.

13. Applications for all the series of the NCDs may be made in a single Application Form only.

The series, mode of allotment, PAN, demat account number, etc. should be captured by the relevant Designated Intermediaries in the data entries as such data entries will be considered for allotment.

Applicants should note that neither the Members of the Consortium nor the other Designated Intermediaries, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms. Our Company would allot Series IV of the NCDs of the Issue to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs.

Applicants' PAN, Depository Account and Bank Account Details

ALL APPLICANTS APPLYING FOR ALLOTMENT OF THE NCDS SHOULD MENTION THEIR DP ID, CLIENT ID, PAN AND UPI ID (IN CASE APPLYING THROUGH UPI MECHANISM) IN THE APPLICATION FORM. APPLICANTS MUST ENSURE THAT THE DP ID, CLIENT ID PAN AND UPI ID GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, CLIENT ID, PAN AND UPI ID AVAILABLE IN THE DEPOSITORY DATABASE. IF THE BENEFICIARY ACCOUNT IS HELD IN JOINT NAMES, THE APPLICATION FORM SHOULD CONTAIN THE NAME AND PAN OF BOTH THE HOLDERS OF THE BENEFICIARY ACCOUNT AND SIGNATURES OF BOTH HOLDERS WOULD BE REQUIRED IN THE APPLICATION FORM.

On the basis of the DP ID, Client ID, PAN and UPI ID provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the Demographic Details of the Applicants including PAN and MICR code. These Demographic Details would be used for giving Allotment Advice and refunds, if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details (including bank account details) as appearing on the records of the Depository Participant and ensure that they are true and correct. Please note that failure to do so could result in delays in despatch/ credit of refunds, if any, to Applicants, delivery of Allotment Advice or unblocking of ASBA Accounts at the Applicants' sole risk, and neither the Members of the Consortium nor the Designated Intermediaries, nor the Registrar, nor the Banker(s) to the Issue, nor the SCSBs, nor our Company shall have any responsibility and undertake any liability for the same.

Applicants should note that in case the DP ID, Client ID and PAN mentioned in the Application Form, as the case may be and entered into the electronic Application system of the Stock Exchange by the Members of the Consortium or the Designated Intermediaries, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected and our Company, the Members of the Consortium and the other Designated Intermediaries shall not be liable for losses, if any.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice and for refunds (if any) as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to this Issue.

By signing the Application Form, Applicants applying for the NCDs would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Allotment Advice would be mailed by post or e-mail at the address of the Applicants in accordance with the Demographic Details received from the Depositories. Applicants may note that delivery of Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Further, please note that any such delay shall be at such Applicants' sole risk and neither our Company, Banker(s) to the Issue, Registrar to the Issue nor the Lead Managers shall be liable to compensate the Applicant for any losses caused to the Applicants due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Draft Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under powers of attorney, our Company in its absolute discretion, reserves the right to permit the holder of a power of attorney to request the Registrar to the Issue that for the purpose of printing particulars on and mailing of the Allotment Advice through post, the Demographic Details obtained from the Depository of the Applicant shall be used.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to this Issue will be made into the accounts of the Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the four parameters, namely, DP ID, Client ID, PAN and UPI ID then such Applications are liable to be rejected.

Applicants should note that the NCDs will be allotted to all successful Applicants only in dematerialized form. The Application Forms which do not have the details of the Applicant's depository account, including DP ID, Client ID and PAN and UPI ID (for Retail Individual Investor Applicants bidding using the UPI mechanism), shall be treated as incomplete and will be rejected.

APPLICATIONS FOR ALLOTMENT OF NCDs IN THE DEMATERIALIZED FORM

Submission of Applications

Applicants can apply for NCDs only using the ASBA facility pursuant to SEBI Master Circular. ASBA Applications can be submitted through either of the following modes:

(a) Physically or electronically to the Designated Branches of the SCSB(s) with whom an Applicant's ASBA Account is maintained. In case of ASBA Application in physical mode, the Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB(s). The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account and shall also verify that the signature on the Application Form matches with the Investor's bank records, as mentioned in the ASBA Application, prior to uploading such ASBA Application into the electronic system of the Stock Exchange. If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such ASBA Application and shall not upload such ASBA Application in the electronic system of the Stock Exchange. If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Application Amount and upload details of the ASBA Application in the electronic system of the Stock Exchange. The Designated Branch of the SCSBs shall stamp the Application Form and issue an acknowledgement as proof of having accepted the Application. In case of Application in the electronic mode, the Applicant shall submit the ASBA Application either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly register such ASBA Applications.

(b) Physically through the Consortium Members, Lead Managers, or Trading Members of the Stock Exchange only at the Specified Cities i.e., Syndicate ASBA. Kindly note that ASBA Applications submitted to the Consortium Members, Lead Managers or Trading Members of the Stock Exchange at the Specified Cities will not be accepted if the SCSB where the ASBA Account is maintained, as specified in the ASBA Application, is maintained has not named at least one branch at that Specified City for the Consortium Members, Lead Managers or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Applications (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries).

(c) A UPI Investor making an Application in the Issue under the UPI Mechanism, where the Application Amount is upto ₹ 5 lakhs, can submit his Application Form physically to a SCSB or a Designated Intermediary. The Designated Intermediary shall upload the application details along with the UPI ID on the Stock Exchange's bidding platform using appropriate protocols. Kindly note that in this case, the Application Amount will be blocked through the UPI Mechanism.

A UPI Investor may also submit the Application Form for the Issue through BSE Direct, wherein the Application will be automatically uploaded onto the Stock Exchange's bidding platform and an amount equivalent to the Application Amount shall be blocked using the UPI Mechanism.

Upon receipt of the Application Form by the Consortium Members, Lead Managers or Trading Members of the Stock Exchange, as the case may be, an acknowledgement shall be issued by giving the counter foil of the Application Form to the Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of the Stock Exchange and the Application Form shall be forwarded to the relevant branch of the SCSB, in the relevant Specified City, named by such SCSB to accept such ASBA Applications from the Consortium Members, Lead Managers or Trading Members of the Stock Exchange, as the case may be (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries). Upon receipt of the ASBA Application, the relevant branch of the SCSB shall perform verification procedures including verification of the Applicant's signature with his bank records and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the ASBA Form. If sufficient funds are not available in the ASBA Account, the relevant ASBA Application is liable to be rejected. If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application. The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be.

Applicants must note that:

(a) Physical Application Forms will be available with the Designated Branches of the SCSBs and with the Lead Managers and Trading Members of the Stock Exchange at the Specified Cities; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchange at least one day prior to the Issue Opening Date. Application Forms will also be provided to the Trading Members of the Stock Exchange at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that this Draft Prospectus is made available on their websites.

(b) The Designated Branches of the SCSBs shall accept ASBA Applications directly from Applicants only during the Issue Period. The SCSB shall not accept any ASBA Applications directly from Applicants after the closing time of acceptance of Applications on the Issue Closing Date. However, in case of Syndicate ASBA, the relevant branches of the SCSBs at Specified Cities can accept ASBA Applications from the Lead Managers or Trading Members of the Stock Exchange, as the case may be, after the closing time of acceptance of Applications on the Issue Closing Date. For further information on the Issue programme, please see section titled "*Issue Related Information*" on page 231

(c) In case of Applications through Syndicate ASBA, the physical Application Form shall bear the stamp of the Lead Managers or Consortium Members or Trading Members of the Stock Exchange, as the case maybe, if not, the same shall be rejected. Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected.

Please note that Applicants can make an Application for Allotment of NCDs in the dematerialized form only.

INSTRUCTIONS FOR FILLING-UP THE APPLICATION FORM

General Instructions

A. General instructions for completing the Application Form

- Applications must be made in prescribed Application Form only;
- Application Forms must be completed in block letters in English, as per the instructions contained in this Draft

Prospectus, the Prospectus, the Abridged Prospectus and the Application Form.

- If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.
- Applicants must apply for Allotment in dematerialised form and must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of Stock Exchange by SCSBs, the Members of the Syndicate at the Syndicate ASBA Application Locations and the Trading Members, as the case may be, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.
- The minimum number of Applications and minimum application size shall be specified in the Prospectus. Applicants may apply for one or more series of NCDs Applied for in a single Application Form.
- If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.
- Applications should be made by Karta in case of HUFs. Applicants are required to ensure that the PAN details of the HUF are mentioned and not those of the Karta;
- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the 8th Schedule of the Constitution needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal;
- No separate receipts will be issued for the money payable on the submission of the Application Form. However, the Lead Managers, Consortium Members, Trading Members of the Stock Exchange or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Lead Managers, Consortium Members, Trading Member of the Stock Exchange or the Designated Branch of the SCSBs, as the case may be.
- Every Applicant should hold valid Permanent Account Number (PAN) and mention the same in the Application Form.
- All Applicants are required to tick the relevant column of "Category of Investor" in the Application Form.
- ASBA will be the default "Mode of Application" as per the SEBI Master Circular.
- Applicants should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form to the Designated Branch and also ensure that the signature in the Application Form matches with the signature in Applicant's bank records, otherwise the Application is liable to be rejected

The series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Lead Managers, Consortium Members, Trading Member of the Stock Exchange in the data entries as such data entries will be considered for allotment.

Applicants should note that neither the Lead Managers, Consortium Members, Trading Member of the Stock Exchange, Public Issue Account Banks nor Designated Branches, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms.

Our Company would allot the series [•] of NCDs, as specified in the Prospectus to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs.

B. Applicant's Beneficiary Account and Bank Account Details

Applicants applying for Allotment in dematerialized form must mention their DP ID ,Client ID, PAN and UPI ID (in case applying through UPI Mechanism) in the Application Form and ensure that the name provided in the Application Form is exactly the same as the name in which the Beneficiary Account is held. In case the Application Form for Allotment in dematerialized form is submitted in the first Applicant's name, it should be ensured that the Beneficiary Account is held in the same joint names and in the same sequence in which they appear in the Application Form. In case the DP ID, Client ID and PAN mentioned in the Application Form for Allotment in dematerialized form and entered into the electronic system of the Stock Exchange do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application

Form for Allotment in dematerialized form is liable to be rejected. Further, Application Forms submitted by Applicants applying for Allotment in dematerialized form, whose beneficiary accounts are inactive, will be rejected.

On the basis of the DP ID and Client ID provided by the Applicant in the Application Form for Allotment in dematerialized form and entered into the electronic system of the Stock Exchange, the Registrar to the Issue will obtain from the Depositories the Demographic Details of the Applicant including PAN, address, bank account details for printing on refund orders/sending refunds through electronic mode, Magnetic Ink Character Recognition (“**MICR**”) Code and occupation. These Demographic Details would be used for giving Allotment Advice and refunds (including through physical refund warrants, direct credit, NACH, NEFT and RTGS), if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the DP and ensure that they are true and correct, and carefully fill in their Beneficiary Account details in the Application Form. Failure to do so could result in delays in dispatch/credit of refunds to Applicants and delivery of Allotment Advice at the Applicants’ sole risk, and neither our Company, the Lead Managers, Trading Members of the Stock Exchange, Public Issue Account Bank(s), SCSBs, Registrar to the Issue nor the Stock Exchange will bear any responsibility or liability for the same.

The Demographic Details would be used for correspondence with the Applicants including mailing of the Allotment Advice and printing of bank particulars on the refund orders, or for refunds through electronic transfer of funds, as applicable. Allotment Advice and physical refund orders (as applicable) would be mailed at the address of the Applicant as per the Demographic Details received from the Depositories. Applicants may note that delivery of refund orders/ Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Applicant in the Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at such Applicants sole risk and neither our Company, the Lead Managers, Trading Members of the Stock Exchange, Public Issue Account Banks, SCSBs, Registrar to the Issue nor the Stock Exchange shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Draft Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under power of attorney, our Company in its absolute discretion, reserves the right to permit the holder of Power of Attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of refund orders/ Allotment Advice, the demographic details obtained from the Depository of the Applicant shall be used. By signing the Application Form, the Applicant would have deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to the Issue.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to the Issue will be made into the accounts of such Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Application are liable to be rejected.

C. Permanent Account Number (PAN)

The Applicant should mention his or her Permanent Account Number (PAN) allotted under the IT Act. For minor Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. However, Applications on behalf of the Central or State Government officials and the officials appointed by the courts in terms of a SEBI circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008 and Applicants residing in the state of Sikkim who in terms of a SEBI circular dated July 20, 2006 may be exempt from specifying their PAN for transacting in the securities market. In accordance with Circular No. MRD/DOP/Cir-05/2007 dated April 27, 2007 issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants’ verifying the veracity of such claims by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN field i.e. either Sikkim category or exempt category.

D. Joint Applications

Applications can be made in joint names (not exceeding three). In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to first named in the Application whose name appears in the Application Form and at the address mentioned therein. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

E. Additional/ Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs, subject to a minimum application size of ₹10,000 and in multiples of ₹1,000 thereafter as specified in the Prospectus. Any Application for an amount below the aforesaid minimum application size will be deemed as an invalid application and shall be rejected. However, multiple Applications by the same individual Applicant aggregating to a value exceeding ₹1,000,000 shall be deem such individual Applicant to be a HNI Applicant and all such Applications shall be grouped in the HNI Portion, for the purpose of determining the basis of allotment to such Applicant. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a karta of a Hindu Undivided family and/or as Applicant (second or third Applicant), shall not be deemed to be a multiple Application. For the purposes of allotment of NCDs under the Issue, Applications shall be grouped based on the PAN, i.e. Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN of the sole or the first Applicant is one and the same.

Electronic registration of Applications

(a) The Designated Intermediaries will register the Applications using the on-line facilities of Stock Exchange. The Lead Managers, Consortium Members, our Company, and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the Applications accepted by the Designated Intermediaries, (ii) the Applications uploaded by the Designated Intermediaries, (iii) the Applications accepted but not uploaded by the Designated Intermediaries, (iv) Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts or (iv) Applications accepted and uploaded by the Designated Intermediaries for which the Application Amounts are not blocked by the SCSBs.

(b) The Stock Exchange will offer an electronic facility for registering Applications for the Issue. This facility will be available on the terminals of Consortium Members and the other Designated Intermediaries during the Issue Period. On the Issue Closing Date, the Consortium Members and the other Designated Intermediaries shall upload the Applications till such time as may be permitted by the Stock Exchange. This information will be available with the Consortium Members and the other Designated Intermediaries on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.

(c) Based on the aggregate demand for Applications registered on the electronic facilities of the Stock Exchange, a graphical representation of consolidated demand for the NCDs, as available on the websites of the Stock Exchange, would be made available at the Application centres as provided in the Application Form during the Issue Period.

(d) At the time of registering each Application, the Designated Intermediaries, shall enter the details of the Applicant, such as the Application Form number, PAN, Applicant category, DP ID, Client ID, number and Option(s) of NCDs applied, Application Amounts and any other details that may be prescribed by the online uploading platform of the Stock Exchange.

(e) A system generated Acknowledgement Slip will be given to the Applicant as a proof of the registration of his Application. It is the Applicant's responsibility to obtain the Acknowledgement Slip from the Consortium Members or the other Designated Intermediaries, as the case may be. The registration of the Applications by the Designated Intermediaries does not guarantee that the NCDs shall be allocated/ Allotted by our Company. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind.

(f) The permission given by the Stock Exchange to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, and/or the Lead Managers are cleared or approved by the Stock Exchange; 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 Draft Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchange.

(g) In case of apparent data entry error by the Designated Intermediaries, in entering the Application Form numbers in their respective schedules, other things remaining unchanged, the Application Form may be considered as valid or such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange.

(h) Only Applications that are uploaded on the online system of the Stock Exchange shall be considered for Allotment. The Designated Intermediaries shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchange. In order that the data so captured is accurate, Designated Intermediaries 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 to the Issue for reconciliation with the data available with the NSDL and CDSL.

Process for investor application submitted with UPI as mode of payment

(a) Before submission of the application with the intermediary, the investor would be required to have / create a UPI ID, with a maximum length of 45 characters including the handle (Example: InvestorID@bankname).

(b) An investor shall fill in the bid details in the application form along with his/ her bank account linked UPI ID and submit the application with any of the intermediaries or through the stock exchange App/ Web interface, or any other methods as may be permitted.

(c) The intermediary, upon receipt of form, shall upload the bid details along with the UPI ID on the stock exchange bidding platform using appropriate protocols.

(d) Once the bid has been entered in the bidding platform, the Stock Exchange shall undertake validation of the PAN and Demat account combination details of investor with the depository.

(e) The Depository shall validate the aforesaid PAN and Demat account details on a near real time basis and send response to stock exchange which would be shared by stock exchange with intermediary through its platform, for corrections, if any.

(f) Once the bid details are uploaded on the Stock Exchange platform, the Stock Exchange shall send an SMS to the investor regarding submission of his / her application, at the end of day, during the bidding period. For the last day of bidding, the SMS may be sent the next working day.

(g) Post undertaking validation with the Depository, the Stock Exchange shall, on a continuous basis, electronically share the bid details along with investors UPI ID, with the Sponsor Bank appointed by the issuer.

(h) The Sponsor Bank shall initiate a mandate request on the investor

(i) The request raised by the Sponsor Bank, would be electronically received by the investor as a SMS / intimation on his / her mobile no. / mobile app, associated with the UPI ID linked bank account.

(j) The investor shall be able to view the amount to be blocked as per his / her bid in such intimation. The investor shall be able to view an attachment wherein the public issue bid details submitted by investor will be visible. After reviewing the details properly, the investor shall be required to proceed to authorize the mandate. Such mandate raised by sponsor bank would be a one-time mandate for each application in the public issue.

(k) An investor is required to accept the UPI mandate latest by 5 pm on the third working day from the day of bidding on the stock exchange platform except for the last day of the issue period or any other modified closure date of the issue period in which case, he / she is required to accept the UPI mandate latest by 5 pm the next working day.

(l) An investor shall not be allowed to add or modify the bid(s) of the application except for modification of either DP ID/Client ID, or PAN ID but not both. However, the investor can withdraw the bid(s) and reapply.

(m) For mismatch bids, on successful validation of PAN and DP ID/ Client ID combination during T+1 modification session, such bids will be sent to Sponsor Bank for further processing by the Exchange on T+1 day till 1 PM.

(n) The facility of re-initiation/ resending the UPI mandate shall be available only till 5 pm on the day of bidding.

(o) Upon successful validation of block request by the investor, as above, the said information would be electronically received by the investors' bank, where the funds, equivalent to application amount, would get blocked in investors account. Intimation regarding confirmation of such block of funds in investors account would also be received by the investor.

(p) The information containing status of block request (e.g. accepted / decline / pending) would also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchange. The block request status would also be displayed on the Stock Exchange platform for information of the intermediary.

(q) The information received from Sponsor Bank, would be shared by stock exchange with RTA in the form of a file for the purpose of reconciliation.

(r) Post closure of the offer, the Stock Exchange shall share the bid details with RTA. Further, the Stock Exchange shall also provide the RTA, the final file received from the Sponsor Bank, containing status of blocked funds or otherwise, along with the bank account details with respect to applications made using UPI ID.

(s) The allotment of debt securities shall be done as per SEBI NCS Regulations and SEBI Master Circular.

(t) The RTA, based on information of bidding and blocking received from the Stock Exchange, shall undertake reconciliation of the bid data and block confirmation corresponding to the bids by all investor category applications (with and without the use of UPI) and prepare the basis of allotment.

(u) Upon approval of the basis of allotment, the RTA shall share the 'debit' file with Sponsor bank (through Stock Exchange) and SCSBs, as applicable, for credit of funds in the public issue account and unblocking of excess funds in the investor's account. The Sponsor Bank, based on the mandate approved by the investor at the time of blocking of funds, shall raise the debit / collect request from the investor's bank account, whereupon funds will be transferred from investor's account to the public issue account and remaining funds, if any, will be unblocked without any manual intervention by investor or their bank.

(v) Upon confirmation of receipt of funds in the public issue account, the securities would be credited to the investor's account. The investor will be notified for full/partial allotment. For partial allotment, the remaining funds would be unblocked. For no allotment, mandate would be revoked and application amount would be unblocked for the investor.

(w) Thereafter, Stock Exchange will issue the listing and trading approval.

(x) Further, in accordance with the Operational Instructions and Guidelines for Making Application for Public Issue of Debt Securities through BSEDirect issued by BSE on December 28, 2020 the investor shall also be responsible for the following:

   i. Investor shall check the Issue details before placing desired bids;
   ii. Investor shall check and understand the UPI mandate acceptance and block of funds process before placing the bid;
   iii. The receipt of the SMS for mandate acceptance is dependent upon the system response/ integration of UPI on Debt Public Issue System;
   iv. Investor shall accept the UPI Mandate Requests within the stipulated timeline;
   v. Investor shall note that the transaction will be treated as completed only after the acceptance of mandates by the investor by way of authorising the transaction by entering their UPI pin and successfully blocking funds through the ASBA process by the investor's bank;
   vi. Investor shall check the status of their bid with respect to the mandate acceptance and blocking of funds for the completion of the transaction; and

vii. In case the investor does not accept the mandate within stipulated timelines, in such case their bid will not be considered for allocation.

General Instructions

Do's

1. Check if you are eligible to apply as per the terms of this Draft Prospectus and applicable law;
2. Read all the instructions carefully and complete the Application Form in the prescribed form;
3. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of NCDs pursuant to the Issue.
4. Ensure that the DP ID and Client ID are correct and beneficiary account is activated for Allotment of NCDs in dematerialized form. The requirement for providing Depository Participant details shall be mandatory for all Applicants.
5. Ensure that you have mentioned the correct ASBA Account number in the Application Form;
6. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch of the SCSB, or to the Intermediaries, as the case may be.
7. Ensure that you have been given an acknowledgement as proof of having accepted the Application Form;
8. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic application platform of the Stock Exchange as per the procedures and requirements prescribed by each relevant Stock Exchange, ensure that you have first withdrawn your original Application and submit a fresh Application. For instance, as per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE, fields namely, quantity, series, application no., sub-category codes will not be allowed for modification during the Issue. In such a case the date of the fresh Application will be considered for date priority for allotment purposes.
9. Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
10. Ensure that the DP ID, the Client ID and the PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchange, match with the DP ID, Client ID and PAN available in the Depository database;
11. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. However, the PAN of the HUF should be mentioned in the Application Form and not that of the Karta;
12. Ensure that the Applications are submitted to the Lead Managers, Consortium Members, Trading Members of the Stock Exchange or Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Issue Closing Date. For further information on the Issue programme, please see the section titled "*Issue Related Information*" on page 231.
13. Ensure that the Demographic Details including PAN are updated, true and correct in all respects;
14. Permanent Account Number: Except for Application (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;
15. Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form;
16. All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form; and
17. Tick the series of NCDs in the Application Form that you wish to apply for.
18. Check if you are eligible to Apply under ASBA;
19. Retail individual investors using the UPI Mechanism to ensure that they submit bids upto the application value of ₹ 500,000;
20. Investor using the UPI Mechanism should ensure that the correct UPI ID (with maximum length of 45 characters including the handle) is mentioned in the Bid cum Application Form;
21. Investors bidding using the UPI Mechanism should ensure that they use only their own bank account linked UPI ID to make an application in the issue and submit the application with any of the intermediaries or through the Stock Exchange App/ Web interface
22. Ensure that you give the correct details of your ASBA Account including bank account number/ bank name and

branch;

23. Ensure that your Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Lead Managers or Consortium Members or Trading Members of the Stock Exchange at the Specified Cities, and not directly to the Public Issue Account Banks (assuming that such bank is not a SCSB) or to our Company or the Registrar to the Issue;
24. In case of ASBA Applications through Syndicate ASBA, before submitting the physical Application Form to the Trading Members of the Stock Exchange, ensure that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at-least one branch in that Specified City for the Lead Managers or Consortium Members or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Forms (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries);
25. In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, in case of an SCSB making an ASBA Application, such ASBA Application should be made through an ASBA Account utilised solely for the purpose of applying in public issues and maintained in the name of such SCSB Applicant with a different SCSB, wherein clear demarcated funds are available.
26. Ensure that the Application Form is signed by the ASBA Account holder in case the Applicant is not the account holder;
27. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form and that your signature in the Application Form matches with your available bank records;
28. Ensure that you have correctly ticked, provided or checked the authorisation box in the Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form as the case may be, at the time of submission of the Bid. In case of Retail Individual Investor submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
29. Ensure that you receive an acknowledgement from the Designated Branch or the concerned Lead Managers or Consortium Members or Trading Member of the Stock Exchange, as the case may be, for the submission of the Application Form.
30. Retail Individual Investors submitting Application Form using the UPI Mechanism, should ensure that the: (a) bank where the bank account linked to their UPI ID is maintained; and (b) the Mobile App and UPI handle being used for making the Bid, are listed on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40

In terms of SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account.

SEBI Master Circular stipulates the time between closure of the Issue and listing at six Working Days. In order to enable compliance with the above timelines, investors are advised to use ASBA facility only to make payment.

Don’ts:

1. Do not apply for lower than the minimum application size;
2. Do not pay the Application Amount in cash, by money order or by postal order or by stock invest;
3. Do not send Application Forms by post; instead submit the same to the Consortium Members, sub-brokers, Trading Members of the Stock Exchange or Designated Branches of the SCSBs, as the case may be;
4. Do not fill up the Application Form such that the NCDs applied for exceeds the Issue size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
5. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;
6. 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;
7. Do not submit the Application Forms without ensuring that funds equivalent to the entire Application Amount are available for blocking in the relevant ASBA Account;
8. Do not submit Applications on plain paper or on incomplete or illegible Application Forms;
9. Do not apply if you are not competent to contract under the Indian Contract Act, 1872;
10. Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise;
11. Do not submit an Application that does not comply with the securities law of your respective jurisdiction;
12. Do not apply if you are a person ineligible to apply for NCDs under the Issue including Applications by Persons

Resident Outside India, NRI (*inter*-alia including NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA); and
13. Do not make an application of the NCD on multiple copies taken of a single form.
14. Payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted under the ASBA process;
15. Do not submit the Application Form to the Lead Managers or Trading Members of the Stock Exchange, as the case may be, at a location other than the Specified Cities.
16. Do not send your physical Application Form by post. Instead submit the same to a Designated Branch or the Lead Managers or Trading Members of the Stock Exchange, as the case may be, at the Specified Cities; and
17. Do not submit more than five Application Forms per ASBA Account.
18. If you are a Retail Individual Investor who is submitting the ASBA Application with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third-party linked bank account UPI ID;
19. Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB and/or mobile applications which are not mentioned in the list provided in the SEBI;
20. Do not submit a bid using UPI ID, if you are not a Retail Individual Investor and if the Application is for an amount more than ₹ 500,000;

Kindly note that Applications submitted to the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the Designated Intermediaries to deposit such Application Forms. (A list of such branches is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes).

Depository Arrangements

Our Company has made depository arrangements with NSDL and CDSL for issue and holding of the NCDs in dematerialised form. In this context:

1. Tripartite Agreements dated June 17, 2016 and between us, the Registrar to the Issue and CDSL for offering depository option to the Applicants.
2. Tripartite Agreements dated June 16, 2016 and between us, the Registrar to the Issue and NSDL for offering depository option to the Applicants.
3. An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.
4. NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.
5. Non-transferable Allotment Advice/ refund orders will be directly sent to the Applicant by the Registrar to the Issue.
6. It may be noted that NCDs in electronic form can be traded only on Stock Exchange having electronic connectivity with NSDL or CDSL. The Stock Exchange have connectivity with NSDL and CDSL.
7. Interest or other benefits with respect to the NCDs held in dematerialised form would be paid to those NCD holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.
8. The trading of the NCDs on the floor of the Stock Exchange shall be in dematerialized form in multiples of One NCD only.

Allottees will have the option to rematerialise the NCDs Allotted under the Issue as per the provisions of the Companies Act, 2013 and the Depositories Act.

For further information relating to Applications for Allotment of the NCDs in dematerialised form, please see the section titled "*Issue Procedure*" on page 256.

Communications

All future communications in connection with Applications made in the Issue should be addressed to the Registrar to the Issue quoting all relevant details as regards the Applicant and its Application.

Applicants can contact our Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre-

Issue related problems and/or Post-Issue related problems such as non-receipt of Allotment Advice non-credit of NCDs in depository's beneficiary account/ etc. Please note that Applicants who have applied for the NCDs through Designated Intermediaries should contact the Stock Exchange in case of any Post-Issue related problems, such as non-receipt of Allotment Advice / non-credit of NCDs in depository's beneficiary account/ etc.

Grievances relating to Direct Online Applications may be addressed to the Registrar to the Issue, with a copy to the relevant Stock Exchange.

Interest in case of Delay

Our Company undertakes to pay interest, in connection with any delay in allotment, demat credit and refunds, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

Undertaking by the Issuer

Statement by the Board:

(a) All monies received pursuant to the Issue of NCDs to public shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act, 2013.
(b) Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised; and
(c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.
(d) the details of all utilized and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized, and the securities or other forms of financial assets in which such unutilized monies have been invested;
(e) we shall utilize the Issue proceeds only upon creation of security as stated in this Draft Prospectus in the section titled "*Terms of the Issue*" on page 240 and after (a) permissions or consents for creation of pari passu charge have been obtained from the creditors who have pari passu charge over the assets sought to be provided as Security; (b) receipt of the minimum subscription of 75% of the Base Issue amount; (c) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (d) creation of security and confirmation of the same in terms of NCDs and (e) receipt of listing and trading approval from the Stock Exchange;
(f) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.
(g) The allotment letter shall be issued, or application money shall be unblocked within 15 days from the closure of the Issue or such lesser time as may be specified by SEBI, or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period;

Other Undertakings by our Company

Our Company undertakes that:

(a) Complaints received in respect of the Issue will be attended to by our Company expeditiously and satisfactorily;
(b) Necessary cooperation to the relevant credit rating agency(ies) will be extended in providing true and adequate information until the obligations in respect of the NCDs are outstanding;
(c) Our Company will take necessary steps for the purpose of getting the NCDs listed within the specified time, i.e., within six Working Days of the Issue Closing Date;
(d) Funds required for dispatch of Allotment Advice will be made available by our Company to the Registrar to the Issue;
(e) Our Company will forward details of utilisation of the proceeds of the Issue, duly certified by the Current Statutory Auditor, to the Debenture Trustee;
(f) Our Company will provide a compliance certificate to the Debenture Trustee on an annual basis in respect of compliance with the terms and conditions of the Issue as contained in this Draft Prospectus.
(g) We shall make necessary disclosures/reporting under any other legal or regulatory requirement as may be required by our Company from time to time.
(h) We shall create a recovery expense fund in the manner as may be specified by the Board from time to time and

inform the Debenture Trustee about the same.

(i) We undertake that the assets on which charge is created, are free from any encumbrances and in cases where the assets are already charged to secure a debt, the permission or consent to create a second or pari-passu charge on the assets of the issuer has been obtained from the earlier creditor.

(j) Our Company will disclose the complete name and address of the Debenture Trustee in its annual report and website.

Rejection of Applications

As set out below or if all required information is not provided or the Application Form is incomplete in any respect, the Board of Directors and/or any Committee of our Company reserves it's full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

- Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- Applications accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Bidders' ASBA Account maintained with an SCSB;
- Applications not being signed by the sole/joint Applicant(s);
- Investor Category in the Application Form not being ticked;
- Application Amount blocked being higher or lower than the value of NCDs Applied for. However, our Company may allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum application size;
- Applications where a registered address in India is not provided for the Applicant;
- In case of partnership firms (except LLPs), NCDs applied for in the name of the partnership and not the names of the individual partners(s);
- Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;
- PAN not mentioned in the Application Form, except for Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants. In case of minor Applicants applying through guardian when PAN of the Applicant is not mentioned;
- DP ID and Client ID not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications by OCBs;
- Applications for an amount below the minimum application size;
- Submission of more than five ASBA Forms per ASBA Account;
- Applications by persons who are not eligible to acquire NCDs of our Company in terms of applicable laws, rules, regulations, guidelines and approvals;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., submitted without relevant documents;
- Applications accompanied by Stock invest/ cheque/ money order/ postal order/ cash;
- Signature of sole Applicant missing or, in case of joint Applicants, the Application Forms not being signed by the first Applicant (as per the order appearing in the records of the Depository);
- Applications by persons debarred from accessing capital markets, by SEBI or any other regulatory authority.
- Date of Birth for first/sole Applicant for persons applying for Allotment not mentioned in the Application Form.
- Application Forms not being signed by the ASBA Account holder if the account holder is different from the Applicant.
- If the signature of the ASBA Account holder on the Application Form does not match with the signature available on the SCSB Bank's records where the ASBA Account mentioned in the Application Form is maintained;
- Application Forms submitted to the Designated Intermediaries or to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Intermediaries, as the case may be;
- ASBA Applications not having details of the ASBA Account to be blocked;
- In case no corresponding record is available with the Depositories that matches three parameters namely, DP ID, Client ID and PAN or if PAN is not available in the Depository database;
- Inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the ASBA Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;
- If an authorization to the SCSB or Sponsor Bank for blocking funds in the ASBA Account or acceptance of UPI

Mandate Request raised has not been provided;

- The UPI Mandate Request is not approved by the Retail Individual Investor;
- SCSB making an ASBA application (a) through an ASBA account maintained with its own self or (b) through an ASBA Account maintained through a different SCSB not in its own name or (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present or (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is not utilised solely for the purpose of applying in public issues;
- Applications for amounts greater than the maximum permissible amount prescribed by the regulations and applicable law;
- Authorization to the SCSB for blocking funds in the ASBA Account not provided;
- Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
- Applications by any person outside India;
- Applications by other persons who are not eligible to apply for NCDs under the Issue under applicable Indian or foreign statutory/regulatory requirements;
- Applications not uploaded on the online platform of the Stock Exchange;
- Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchange, as applicable;
- Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and this Draft Prospectus;
- Applications by Applicants whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
- Where PAN details in the Application Form and as entered into the electronic system of the Stock Exchange, are not as per the records of the Depositories;
- Applications providing an inoperative demat account number;
- ASBA Applications submitted to the Designated Intermediaries, at locations other than the Specified Cities or at a Designated Branch of a SCSB where the ASBA Account is not maintained, and Applications submitted directly to the Banker to the Issue (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;
- Category not ticked;
- Forms not uploaded on the electronic software of the Stock Exchange and/or in case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application.

Kindly note that ASBA Applications submitted to the Lead Managers, or Trading Members of the Stock Exchange, Members of the Syndicate, Designated Intermediaries at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that Specified City for the Lead Managers, or Trading Members of the Stock Exchange, Members of the Syndicate, Designated Intermediaries, as the case may be, to deposit ASBA Applications (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries).

For information on certain procedures to be carried out by the Registrar to the Offer for finalization of the basis of allotment, please see below "*Issue Procedure-Information for Applicants*".

Information for Applicants

In case of ASBA Applications submitted to the SCSBs, in terms of the SEBI circular CIR/CFD/DIL/3/2010 dated April 22, 2010, the Registrar to the Issue will reconcile the compiled data received from the Stock Exchange and all SCSBs and match the same with the Depository database for correctness of DP ID, Client ID and PAN. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records for such ASBA Applications or treat such ASBA Applications as rejected.

In case of Applicants submitted to the Lead Managers, Consortium Members and Trading Members of the Stock Exchange at the Specified Cities, the basis of allotment will be based on the Registrar's validation of the electronic details with the Depository records, and the complete reconciliation of the final certificates received from the SCSBs with the electronic details in terms of the SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock

Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records or treat such ASBA Application as rejected.

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship).

In case of Applications for a higher number of NCDs than specified for that category of Applicant, only the maximum amount permissible for such category of Applicant will be considered for Allotment.

Mode of making refunds

The Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within 5 Working Days of the Issue Closing Date.

Retention of oversubscription

Our Company shall have an option to retain over-subscription up to the Issue limit.

Basis of Allotment

As specified in the Prospectus.

Payment of Refunds:

The Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within the applicable regulatory timelines.

Issuance of Allotment Advice

Our Company shall ensure dispatch of Allotment Advice as per the Demographic Details received from the Depositories. Instructions for credit of NCDs to the beneficiary account with Depository Participants shall be made within 5 Working Days of the Issue Closing Date

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities and approvals for the commencement of trading at the Stock Exchange where the NCDs are proposed to be listed are taken within 5 Working Days from the Issue Closing Date.

Allotment Advices shall be issued, or Application Amount shall be unblocked within 15 (fifteen) days from the Issue Closing Date or such lesser time as may be specified by SEBI or else the application amount shall be unblocked in the ASBA Accounts of the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent. per annum for the delayed period.

Our Company will provide adequate funds required for dispatch of Allotment Advice, as applicable, to the Registrar to the Issue.

Investor Withdrawals and Pre-closure

Investor Withdrawal: In case an Applicant wishes to withdraw the Application after the Issue Closing Date or early closure date, the same can be done by submitting a withdrawal request to the Registrar prior to the finalization of the Basis of Allotment but not later than 2 (two) Working days from the Issue Closing Date or early closure date, as applicable. Applicants can withdraw their ASBA Applications till the issue closure date by submitting a request for the same to the Consortium Members, Trading Member of the Stock Exchange or the Designated Branch, as the case may be, through whom the ASBA Application had been placed. In case of ASBA Applications submitted to the Lead Managers, Consortium Members, or Trading Members of the Stock Exchange at the Specified Cities, upon receipt of the request for withdrawal from the Applicant, the relevant Lead Managers, or Trading Member of the Stock Exchange, as the case may be, shall do the requisite, including deletion of details of the withdrawn ASBA Application Form from the electronic system of the Stock Exchange. In case of ASBA Applications submitted directly to the Designated Branch of the SCSB, upon receipt of the request for withdraw from the Applicant, the relevant Designated Branch shall do the requisite, including deletion of details of the withdrawn ASBA Application Form from the electronic system of the Stock Exchange and unblocking of the funds in the ASBA Account directly.

In case an Applicant wishes to withdraw the Application after the Issue Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalization of the Basis of Allotment.

Pre-closure

Our Company, in consultation with the Lead Managers reserves the right to close the Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription or as may be specified in this Draft Prospectus. Our Company shall allot NCDs with respect to the Applications received until the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of the Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the Issue Closing Date, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement have been given.

If our Company does not receive the minimum subscription of 75% of Base Issue Size prior to the Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 8 (eight) working days from the Issue Closing Date, provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 8 (eight) working days from the Issue Closing Date, failing which the Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Revision of Applications

As per the notice no: 20120831-22 dated August 31, 2012 issued by BSE, cancellation of one or more orders (series) within an Application is permitted during the Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. However, please note that in case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the Stock Exchange(s), by submitting a written request to the Designated Intermediary, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchange as per the procedures and requirements prescribed by each relevant Stock Exchange, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on Issue Closing Date. However, in order that the data so captured is accurate, the Designated Intermediaries will be given up to one Working Day after the Issue Closing Date (till 1:00 PM) to modify/ verify certain selected fields uploaded in the online system during the Issue Period, after which the data will be sent to the Registrar to the Issue for reconciliation with the data available with the NSDL and CDSL.

SECTION VIII - SUMMARY OF KEY PROVISIONS OF ARTICLES OF ASSOCIATION

INTERPRETATION

1. The Regulations for the Management of the Company and observation by the members thereof and their representatives shall be those as contained in these Articles and the regulations contained in Table F. Schedule I to the Companies Act, 2013 (hereinafter referred to as "the Act"), as far Public Company, except in regard to matters contained in these Articles which shall have the effect to excluding such regulations of Table F of Schedule I as are inconsistent with Articles herein below contained.

SHARES

2. a) The Authorised Share Capital of the Company will be as may be specified under clause V of the Memorandum of Association of the Company.

   b) The shares shall be under the control of the Director who may issue, allot or otherwise dispose of the same to such persons on such terms and conditions and at such time as the Directors think fit and with full power to give to any person the option to call for any shares either at par or at a premium and for such consideration as the Directors think fit. The Directors shall have the absolute power to divide the shares in the original or any increased capital into different classes and attach thereto at their discretionary preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise.

   c) The Company shall not charge any fee for registration of transfer of shares, splitting of share certificate, issue of duplicate share certificates or for similar matters, except reimbursement of expenses, as may be decided by the Board of Directors.

   d) The Company in general meeting may from time to time increase the capital by the creation of new share of such amount as may be deemed expedient

   e) The company in general meeting may:

   i. consolidate and divide all or any of its Share Capital into Shares of larger amount than its existing Shares,
   ii. Sub-divide its existing shares, or any of them into shares of smaller amount than is fixed by memorandum so however, that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be same as it was in the case of the share from which the reduced share is derived.
   iii. 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 shares so cancelled.
   iv. Convert all or any of its fully paid shares into stock and re-convert that stock fully paid up shares of any denomination.

FURTHER ISSUE OF SHARES

3. Subject to the provisions of Section 62(1)(a) of the Act and other applicable provisions, where at any time, it is proposed to increase the subscribed capital of the company by allotment of further shares either out of the un-issued 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 near as circumstances admit, to the capital paid up on those shares at the date;

   b) such offer shall be made by a notice specifying the number of shares offered and limiting a time not less than fifteen days or such lesser number of days as may be prescribed under the Act and not exceeding thirty days from the date of the offer and the offer if not accepted will be deemed to have been declined;

c) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favor 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 favor any member may renounce the shares offered to him.

d) After expiry of the time specified in the aforesaid notice 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, which is not dis-advantageous to the shareholders and the company.

4. Notwithstanding anything contained in Article 3 above, further shares may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of Article 3 above) in any manner whatsoever, if a special resolution to that effect is passed by the Company in General Meeting, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer, subject to the compliance with the applicable provisions of the Act and the rules thereunder.

5. The Company may subject to SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as may be applicable, issue options to the employees in terms of the scheme of employees' stock options or employees share purchase or both, subject to special resolution passed by the company and subject to such conditions as may be prescribed under the laws applicable to the company from time to time;

6. Nothing in Article 3, 4 & 5 shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debenture issued or loans raised by the Company, to convert such debentures or loans into shares in the Company

   PROVIDED THAT the terms of issue of such debentures or the terms of such loans containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in general meeting;

INCREASE AND REDUCTION OF CAPITAL

7. The Company in General Meeting may, from time to time, by ordinary resolution, increase the authorized share capital of the Company by the creation of new shares by such sum or to consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares as may be deemed expedient.

8. Subject to any special rights or privileges for the time being attached to any shares in the capital of the Company when issued, the new shares may be issued upon such terms and conditions and with such preferential, qualified or such rights and privileges or conditions thereto as general meeting resolving upon the creation thereof shall direct. If no direction be given, the Board shall determine in particular the manner in which such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company.

9. Before the issue of any new shares, the Company in General Meeting may make provisions as to the allotment and issue of the new shares and in particular may determine to whom the shares be offered in the first instance and whether at par or premium or at a discount (subject to the provisions of Section 53 of the Act). In case no such provision is made by the Company in General Meeting, the new shares may be dealt with according to the provisions of these Articles.

10. Except so far as otherwise provided by the conditions of issue or by these presents any capital raised by the creation of new shares shall be considered as part of the then existing capital of Company and shall be subject to the provisions herein contained with reference to the payment of dividends, calls and installments, transfer and transmission, forfeiture, lien, voting, surrender and otherwise.

11. If, owing to any inequality in the number of new shares to be issued and the number of shares held by members entitled to have the offer of such new shares, any difficulty arising in the allotment of such new shares or any of them amongst the members shall, in the absence of any direction in the resolution creating the shares or by the Company in general meeting, be determined by the Board.

12. Subject to the provisions of the Act, the Company may, from time to time in any manner, by special resolution and with, and subject to, any incident authorised and consent required by law, reduce:

a) its share capital and/or

b) any capital redemption reserve account; or

c) any security premium account.

13. Subject to provisions of the Act, the Board may accept from any member, the surrender, on such terms and conditions as shall be agreed, of all or any of his shares.

SHARE CERTIFICATES

14. 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 two months after incorporation (in case of subscribers to the memorandum) or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be. Every certificate of shares shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up there on and shall be signed by two directors or by a director and the company secretary, wherever the company has appointed company secretary 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 to all such holder.

The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

Nothing contained herein shall apply to transfer of a security effected by the transferor and the transferee both of whom are entered as Beneficial Owners in the records of a Depository.

15. The certificate of shares registered in the name of two or more persons shall be delivered to the person first named in the Register.

16. If any certificate be worn out, defaced, mutilated or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, an & new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every Certificate under the Article shall be issued without payment of such fees (not exceeding Rs. 2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the each thereof for endorsement of transfer.

Provided that notwithstanding what is slated above the Board shall comply with such Rules or Regulation or requirement of any stock exchange or the Rules made under the Securities Contract Regulations Act, 1956 or the Act, or rules applicable in this behalf.

The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

17. If the securities of the Company are dealt with in a Depository, the Company shall intimate the details of allotment of securities to Depository immediately on allotment of such securities

TRANSFER OF SHARES

18. Any member who intends to transfer shares (hereinafter called the Vendor') shall give notice in writing to the Board of his intention. That notice shall constitute the Board, his agent for the sale of the said shares at a price to be agreed upon the Vendor and the Board or in the event of disagreement at a price which the Auditors of the Company for the time being shall certify in writing, to be the fair value thereof as between a

Vendor and the purchaser. In certifying the fair value, the Auditors shall be acting as an expert and not as an arbitrator and accordingly the Indian Arbitration Act, 1949; shall not apply.

19. Upon the price being settled as aforesaid, the Managing Director of Directors who are attending the duties of the Company shall in the first instance be entitled to purchase the said shares or any part thereof, as aforesaid, the Board shall give notice to all members of the Company of the number and price of the shares to be sold and invite each of them to state in writing within 28 days from the date of the said notice whether he is willing to purchase any, if so what maximum number of the said shares.

20. At the expiration of 28 days, the Board shall allocate the said shares to or amongst the member or members who has/have expressed his or their willingness to purchase and if more than one, so far as may be possible prorate according to the number of shares already held by them respectively. Upon such allocation being made, vendor shall be bound on payment of the said price to transfer the shares to the purchaser or purchasers and if he makes default in so doing the Board may receive and give a good discharge for the purchase money on behalf of the Vendor and enter the name of the purchaser in the Register of Members as holder of the said shares purchased by him.

SHARES AT THE DISPOSAL OF THE DIRECTORS

21. Subject to the provisions 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 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. Provided that option or right to call on shares shall not be given to any person or persons without the sanction of the Company in a General Meeting.

NOMINATION

22. Subject to provisions of Section 72 of the Act, every holder of shares in, or holder of debentures of, a company may, at any time, nominate, in the prescribed manner a person to whom his shares in, or debentures of, the company shall vest in the event of his death.

TERM OF ISSUE OF DEBENTURE

23. Any debentures, debentures 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, attending (but not voting) at the General Meeting, 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 the General Meeting by a Special Resolution.

DIRECTORS

24. Subject to the provisions of Section 149 of the Companies Act, 2013, unless otherwise determined by the Company in the General Meeting, the number of Directors shall not be less than three and more than fifteen.

25. The Share qualification for a Director may be fixed by the Company in General Meeting, and unless and until so fixed, no share qualification shall be required.

26. The First Directors of the Company shall be:

(i) MR. ANURAG MADAN

(ii) MR. RAJEEV MEHROTRA

(iii) MR. VIKAS KHEMANI

27. The Board shall have power at any time and from time to time, to appoint any other person to be a Director, either to fill a casual vacancy, or as addition to the Board, subject to Article 24 above.

28. The Directors may appoint from time to time subject to the provisions of the Act, one of them as Managing Director on such remuneration, terms and conditions as they may think fit and proper and remove him and appoint some other Director in his place as Managing Director if the Directors in their meeting so desire.

29. The Board shall appoint the person nominated by its Debenture Trustee (DT) as a director in the Event of Default. "Event of default" shall have the same meaning as prescribed under applicable laws.

BORROWING POWERS

30. The Board may from time to time subject to the sections 73 and 76, 179 and 180 of the Act, at their discretion raise or borrow any sum or sums of money for the purpose of the Company and subject to the applicable provisions of the Act may secure payment or repayment of same in such manner and upon such terms and conditions in all respect as may be prescribed by the Board, in particular by the creation of any mortgage or charge or other encumbrances on any of the immovable properties of the company or hypothecation, pledge or charge on and over the Company's stocks, book debts and other movable properties.

31. The Board may raise or secure the payment of such sum or sums in such manner and upon such terms and conditions as they think fit and in particular, by the issue of bonds, perpetual or redeemable debentures or debenture-stock or any mortgage, charge or other security on the undertaking of the whole or any part of the property (both movable and immovable) of the Company both present and future including its uncalled capital for the time being or by giving, accepting or endorsing on behalf of the Company any promissory notes, bills of exchange or other negotiable instruments and no debenture shall carry any voting right whether generally or in respect of any particular class or classes of business.

32. If any uncalled capital is included in or charged by any mortgage of other security, the Directors may, authorise the person in whose favour such mortgage or security is executed or any other person in trust for him to make calls on the member in respect of such uncalled capital, and the provisions herein before contained in regard to calls shall, mutatis mutandis apply to calls, made under such authority and may be made exercisable either conditionally and either presently or contingently and either, to the exclusion of the Director's powers or otherwise, and shall be assignable if expressed so to do.

33. Any debenture-stock or other securities may be issued at a discount or premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges such as warrants etc. and conditions as to redemption, surrender, drawing, allotment of shares, attending at General Meeting, appointment of Directors and otherwise. The power to issue debenture stock or other securities with a right to allotment of or conversion into shares of any denomination shall only be exercised by the Company in the General Meeting.

34. Save as provided in Section 56 of the Act, no transfer of debentures 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 certificates of the debentures. However, the provision relating to instrument of transfer shall not apply to the shares or debentures of the Company which have been dematerialized;

35. Debentures/debenture stock, loan/loan stock, bonds or other securities conferring the right to allotment or conversion into shares or the option or right to call for allotment of shares shall not be issued except with the sanction of the Company in General Meeting as per requirements of Companies Act, 2013 and applicable regulations issued by regulators.

GENERAL MEETING

36. a. The Board may call any of the General Meeting of the Company by giving a shorter notice, as short as it thinks fit.

    b. The Chairman of the Board shall be Chairman of the General Meetings. In his absence any Director present shall be the Chairman of the meeting. The Chairman of the meeting shall have a casting vote in addition to the vote, which he may be entitled as a member.

c. Subject to Section 103 of the Act, five members personally present if the number of members as on the date of meeting is not more than one thousand, fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand and thirty members personally present if the number of members as on the date of the meeting exceeds five thousand, shall be the quorum for the General Meeting.

37A. The ordinary business of an Annual General Meeting shall be to receive and consider the profit and loss account, the balance sheet and the report of the Director's and Auditor's thereon, to elect Directors in place of those retiring by rotation, to appoint auditors and fix their remuneration and to declare dividend. All other business transacted at an Annual General Meeting and all business transacted at any other General Meeting shall be deemed special business.

37B. Every question submitted to a meeting, shall be decided in the first instance by a show of hands, and in the case of an equality of votes, both on a show of hands and on a poll, the Chairman of the meeting shall have a casting vote in addition to the vote to which he may be entitled as a member.

37C. (1) The Chairman of an Annual General Meeting, with the consent of the members meeting may adjourn the same from time to time and from place to place. It is at the sole discretion of the Chairman to adjourn a meeting when it is impossible, by reason of disorder or other like cause to conduct the meeting and complete its business but no business shall be transacted at any adjourned meeting other than the meeting from which the adjournment took place.

(2) Subject to Secretarial Standards issued on General Meeting by The Institute of Company Secretaries of India (ICSI), when a meeting is adjourned, notice of prescribed time reasonable notice of an adjournment will be given as per the prescribed time period.

POLL

38. (1) Before or on the declaration of the result of the voting on any resolution on a show of hand, poll may be ordered to be taken by the chairman of the meeting of 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 holding shares in the Company which confer a power to vote on the resolution not being less than one tenth of the total voting power in respect of the resolution, or on which an aggregate sum of not less than five lakh rupees has been paid up.

(2) The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

39. Any poll duly demanded on the election may of a Chairman of a meeting or on any question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time not exceeding 48 hours from the time when the demand was made, as the Chairman of the meeting may direct.

40. Where a poll is to be taken, the Chairman of the meeting shall appoint such number of person, as he deems necessary, to scrutinize the votes given on the poll and to report thereon to him. The Chairman shall have power to regulate the manner in which the poll shall be taken.

41. The demand for a poll except on the question of the election of Chairman or of an adjournment, 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.

42. In the case of equality of votes the Chairman shall, both on a show of hands and on poll, have second or casting vote in addition to the vote or votes to which he may be entitled as a Member.

43. (a) Subject to the provisions of the Act, the chairman of the meeting shall have power to regulate the manner in which a poll shall be taken.

(b)The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

POSTAL BALLOT

44. The Company may, and in the case of resolutions, relating to such business as the Central Government may by notification, declare to be conducted only by Postal Ballot, shall, get any Resolution passed by means of a Postal Ballot, instead of transacting the business in General Meeting of the Company.

    Where a Company decides to pass any Resolution by resorting to Postal Ballot, it shall send a notice to all the shareholders, along with a draft resolution explaining the reasons therefore, and requesting them to send their assent or dissent in writing on a Postal Ballot within a period of 30 days, from the date of posting of the letter. The notice shall be sent by registered post acknowledgement due, or by any other method as may be prescribed by the Central Government in this behalf and shall include with such notice, a postage pre-paid envelope for facilitating the communication of the Assent or Dissent of the shareholder to the resolution within the said period. If a resolution is assented to by a requisite majority of the shareholders by means of Postal Ballot it shall be deemed to have been duly passed on the last date specified by the company for receipt of duly completed postal ballot forms.

45. A Resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, if the resolution has been circulated in draft together with the necessary papers, if any, to all the Directors or to all the members of the Committee, as the case may be, at their addresses registered with the company in India by hand delivery or by post or by courier, or through such electronic means which may include e-mail or fax and has been approved by a majority of the directors or members, who are entitled to vote on the resolution.

MEETING OF THE BOARD

46. The Directors may meet together for discussion on business matters, adjourn or otherwise regulate their meetings as they think fit, subject to the provisions of Section 173 of the Act.

47. Pursuant to the Act or any other applicable laws or as may be prescribed by Central Government, the Non-executive Directors may be paid fee for each meeting of Board or a committee thereof, attended by him, as may be determined by the Board of Directors from time to time. The Directors may also be paid traveling and other expenses for attending and returning from meeting of the Board and other expenses incurred by them in connection with the business of the Company. The Directors may also be remunerated for any extra services done by them, outside their ordinary duties as Directors.

DEMATERIALISATION OF SECURITIES

48. Definitions	1) For the purpose of this Article: - "Beneficial Owner" means a person whose name is recorded as such with a Depository. "SEBI" means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992. "Depository" means a Company formed and registered under the Companies Act, 1956 or Companies Act, 2013 and which has been granted a Certificate of Registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992. "Security" means such security as may be specified by SEBI.
Dematerialisation of Securities	(2) notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its securities and to offer

	securities in a dematerialized form pursuant to the Depositories Act, 1996.
Manner of holding securities	(3) every person subscribing the securities offered by the Company shall hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issued to the beneficial owner the required Certificates of Securities.
Securities in Depositories to be in fungible form	(4) All securities held by a depository shall be dematerialized and be in fungible form. Nothing contained in Sections 89 and 186 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.
Right of depositories and Beneficial owners	5)(a) Notwithstanding anything to the company contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner. (b)Save as otherwise provided in (a) above, the depository and the registered owner of the securities shall not have any voting. rights or any other rights in respect of the securities held by it. (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member to the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a depository.
Service of Documents	(6) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs
Transfer of Securities	(7) Nothing contained in Section 56 of the Act, or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository. In the case of transfer of shares or other securities where the Company has not issued any certificates and where such shares or securities are being held in an electronic and fungible form, the provisions of the Depositories Act shall apply;
Allotment of Securities dealt with in Depository	(8) Notwithstanding anything in the Act or these Articles, where securities are dealt with a depository, the Company shall intimate the details thereof to the depository immediately on allotment of

	such securities.
Distinctive numbers of securities held in a Depository	(9) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.
Register Index beneficial owners	(10) The Register and Index of beneficial owner maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of. Members and Security holders for the purpose of these Articles.

BUY BACK OF SHARES

49. Notwithstanding anything contained in these Articles, the Board of Directors may, when and if thought fit, buy-back such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions, and subject to such approvals, as required by law

RECONSTRUCTION

50. On any sale of the whole or any part of the undertaking of the Company, the Board or the Liquidators on a winding up may, if authorized by special resolution, accept fully paid or partly paid-up shares, debentures or securities of any other company, whether incorporated in India or not either then existing or to be formed for the purchase in the whole or in part of the property of the Company and the Board (if the profits of the Company permit) or the Liquidators (in winding up) may distribute such shares or securities or any other property of the company amongst the members without realisation or vest the same in trustees for them and any special resolution may provide for the distribution or appropriation of cash, shares or other securities, benefits or property, otherwise than in accordance with the strict legal rights of the member, contributors of the Company and for the valuation of any such securities or property at such price and in such manner as the meeting may approve and all holders of shares shall subject to the provisions of Section 235, 236 and 238 of the Act be bound to accept as shall be bound by any valuation or distribution so authorised and waive all rights in relation thereto save only in case the Company is proposed to be or is in course of being wound up and subject to the applicable provisions of the law as are incapable of being varied or excluded by these Articles.

SECRECY CLAUSE

51. Subject to the provisions of the Act, every Director, Manager, Auditor, trustee, Member of the Committee, Officer, servant, agent, accountant or other person employed in the business of the Company shall if so required by the Board before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions of the Company with the customers and the state of account with individuals and in matter relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Board or by any meeting or by a Court of law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

52. No member or other person (not being a Director) shall be entitled to visit or inspect any works of the Company or to enter upon the property of the Company or to inspect or examine the Company's premises or properties of the Company without the permission of the Board or except as stated in the Act, require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of trade secret mystery of trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will not be in the interest of the Company to communicate.

SECTION IX - MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected on Working Days at the Registered Office of our Company situated at Tower 3, 5th Floor, Wing B, Kohinoor City Mall Kohinoor City, Kirol Road, Kurla (West) Mumbai 400 070, Maharashtra, India between 10 am to 5 pm on any Working Days from the date of the filing of this Draft Prospectus with Stock Exchange and the ROC.

MATERIAL CONTRACTS

1. Issue Agreement dated May 3, 2024, between our Company and the Lead Managers.

2. Registrar Agreement dated April 29, 2024 between our Company and the Registrar to the Issue.

3. Debenture Trustee Agreement dated April 29, 2024, executed between our Company and the Debenture Trustee.

4. Tripartite agreement dated June 17, 2016, among our Company, the Registrar to the Issuer and CDSL.

5. Tripartite agreement dated June 16, 2016, among our Company, the Registrar to the Issuer and NSDL.

6. Public Issue Account and Sponsor Bank Agreement dated [•], between our Company, the Lead Managers, Registrar to the Issue and Public Issue Account Bank.

7. Consortium Agreement dated [•], among our Company, Lead Managers and Consortium Members.

MATERIAL DOCUMENTS

1. Memorandum and Articles of Association of our Company, as amended to date.

2. Certificate of Incorporation of our Company dated May 30, 2008 issued by the RoC.

3. Certificate of commencement of business dated June 12, 2008 issued by the RoC.

4. Certificate of registration dated May 19, 2023 bearing registration no. DOR - 00081 issued by the Reserve Bank of India under section 29A of the National Housing Bank Act, 1987.

5. Copy of shareholders' resolution on June 16, 2023 under Section 180(1)(c) of the Companies Act, 2013 on overall borrowing limits of the Board of Directors of our Company.

6. Copy of the resolution passed by the Board of Directors dated April 16, 2024 approving the issue of NCDs.

7. Copy of the resolution passed by the Operations Committee dated April 19, 2024 approving this Issue of NCDs.

8. Copy of the resolution passed by the Operations Committee at its meeting held on May 3, 2024, approving the Draft Prospectus.

9. Letter dated December 19, 2023, revalidation letter dated April 12, 2024 and revalidation letter dated April 23, 2024, by CRISIL Ratings Limited assigning and revalidating a rating of "CRISIL A+/Stable" for the Issue with rating rationale and press release dated December 18, 2023.

10. Consents of the Directors, Chief Financial Officer, Company Secretary and Compliance Officer, Lead Managers, to the Issue, Legal Counsel to the Issue, Credit Rating Agencies, Registrar to the Issue and the Debenture Trustee in their respective capacities and the NOCs received from Lenders to our Company in relation to the Issue.

11. Consent of CARE Analytics and Advisory Private Limited (formerly known as CARE Risk Solutions Private Limited) dated April 19, 2024 as the agency issuing the industry report titled "*Research Report on Housing Finance Industry*" dated April 19, 2024 forming part of the Industry Overview chapter.

12. Our Company has received the written consent dated May 3, 2024 from NGS & Co. LLP, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI NCS Regulations,

in this Draft Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) Audit report dated May 8, 2023, on the financial information of the Company as at and for each of the years ended March 31, 2023; (ii) Audit report dated May 6, 2022, on the financial information of the Company as at and for each of the years ended March 31, 2022 (iii) the reports on statement of possible tax benefits dated May 3, 2024, included in this Draft Prospectus, and such consent has not been withdrawn as on the date of this Draft Prospectus; and (iv) limited review report dated January 23, 2024 for the Unaudited Financial Results of the Company for the quarter ended December 31, 2023 and year to date from April 1, 2023 to December 31, 2023. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act, 1993.

13. Limited review report dated January 23, 2024 for the Unaudited Financial Results of the Company for the quarter ended December 31, 2023 and year to date from April 1, 2023 to December 31, 2023.

14. The report on statement of possible tax benefits dated May 3, 2024.

15. Annual Report of our Company for the last three Fiscals.

16. In-principle listing approval from BSE by its letter no. [•] dated [•].

17. Due Diligence Certificate dated [•], filed by the Lead Managers with SEBI.

18. Due Diligence certificate dated May 3, 2024, filed by the Debenture Trustee to the Issue.

DECLARATION

We, the Directors of the Company, hereby certify and declare that all relevant provisions of the Companies Act, 2013, as amended, and the rules prescribed thereunder, to the extent applicable and the guidelines issued by the Government of India and/or the regulations/guidelines/circulars issued by the Reserve Bank of India, National Housing Bank and the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as applicable, including the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, provisions under the Securities Contracts (Regulation) Act, 1956, as amended, and rules made thereunder, including the Securities Contracts (Regulation) Rules, 1957, as amended, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable , as the case may be have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be. We hereby confirm that the compliance with the Securities and Exchange Board of India Act, 1992 or rules made there under does not imply that payment of dividend or interest or repayment of debt securities, is guaranteed by the Central Government.

We further certify that all the disclosures and statements made in this Draft Prospectus are true, accurate and correct in all material respects, are in conformity with Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Draft Prospectus does not contain any misstatements. Furthermore, all the monies received under this Issue shall be used only for the purposes and objects indicated in this Draft Prospectus. No information material to the subject matter of this form has been supressed or concealed and whatever is stated in this Draft Prospectus thereto is true, correct and complete and is as per the original records maintained by the Promoter(s) subscribing to the Memorandum of Association and Articles of Association.

Signed by the Directors of the Company

Rajat Ravi Avasthi *Managing Director & CEO* DIN: 07969623	Deepak Mittal *Non-Executive Director* DIN: 00010337
Sunil Nawal Phatarphetar *Independent Director* DIN: 00005164	Gautam Chatterjee *Independent Director* DIN: 02464197
Shama Asnani *Non-Executive Director* DIN:09774021	Biswamohan Mahapatra *Independent Director* DIN: 06990345

Date: May 3, 2024

Place: Mumbai

ANNEXURE A – CRISIL RATING AND RATIONALE

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CRISIL Ratings

CONFIDENTIAL

RL/EDLSHFL/333758/NCD/1223/75271/136932666
December 19, 2023

Mr. Tushar Kotecha
Chief Financial Officer
Nido Home Finance Limited
Kohinoor City Mall,
Tower 3, Wing B, 5th Floor,
Kirol Road, Kurla (W)
Mumbai City - 400070

Dear Mr. Tushar Kotecha,

Re: Review of CRISIL Rating on the Rs.500 Crore Non Convertible Debentures[&] of Nido Home Finance Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

CRISIL Ratings has, after due consideration, downgraded its rating on the captioned debt instrument to CRISIL A+/Stable (pronounced as CRISIL A plus rating with Stable outlook) from CRISIL AA-/Negative (pronounced as CRISIL double A minus rating with Negative outlook). Securities with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such securities carry low credit risk.

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Aesha Maru
Associate Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

& Public Issue

CRISIL Ratings

CONFIDENTIAL

RL/EDLSHFL/333758/NCD/0424/84914/136932666
April 12, 2024

Mr. Tushar Kotecha
Chief Financial Officer
Nido Home Finance Limited
Kohinoor City Mall,
Tower 3, Wing B, 5th Floor
Kirol Road, Kurla (W)
Mumbai City - 400070

Dear Mr. Tushar Kotecha,

Re: CRISIL rating on the Rs.500 Crore Non Convertible Debentures& of Nido Home Finance Limited.

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

Please refer to our rating letter dated December 19, 2023 bearing Ref. no: RL/EDLSHFL/333758/NCD/1223/75271/136932666

Rating outstanding on the captioned debt instruments is "CRISIL A+/Stable" (pronounced as "CRISIL A plus rating" with Stable outlook). Securities with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such securities carry low credit risk..

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crisil.com

Should you require any clarifications, please feel free to contact us.

With warm regards,

Yours sincerely,

Aesha Maru
Associate Director - CRISIL Ratings

Nivedita Shibu
Director - CRISIL Ratings

& Public Issue

CRISIL
Ratings

CONFIDENTIAL

RL/EDLSHFL/333758/NCD/0424/85709/136932666
April 23, 2024

Ms. Kiran Agrawal Todi
Chief Financial Officer
Nido Home Finance Limited
Kohinoor City Mall,
Tower 3, Wing B, 5th Floor
Kirol Road, Kurla (W)
Mumbai City - 400070

Dear Ms. Kiran Agrawal Todi,

Re: CRISIL rating on the Rs.500 Crore Non Convertible Debentures[&] of Nido Home Finance Limited.

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

Please refer to our rating letter dated April 12, 2024 bearing Ref. no: RL/EDLSHFL/333758/NCD/0424/84914/136932666

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In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crisil.com

Should you require any clarifications, please feel free to contact us.

With warm regards,

Yours sincerely,

Aesha Maru
Associate Director - CRISIL Ratings

Nivedita Shibu
Director - CRISIL Ratings

CRISIL

& Public Issue

CRISIL Ratings Limited
A subsidiary of CRISIL Limited, an S&P Global Company
Corporate Identity Number: U67100MH2019PLC326247

Regist
ered Office: CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai- 400 076. Phone: +91 22 3342 3000 | Fax: +91 22 3342 3001
www.crisilratings.com

CRISIL Ratings

Rating Rationale

December 18, 2023 | Mumbai

Nido Home Finance Limited

Long-term rating downgraded to 'CRISIL A+'; outlook revised to 'Stable'

Rating Action

Total Bank Loan Facilities Rated	**Rs.2335 Crore**
Long Term Rating	**CRISIL A+/Stable (Downgraded from 'CRISIL AA-/Negative')**

Rs.150 Crore Non Convertible Debentures&	**CRISIL A+/Stable (Downgraded from 'CRISIL AA-/Negative')**
Rs.500 Crore Non Convertible Debentures&	**CRISIL A+/Stable (Downgraded from 'CRISIL AA-/Negative')**
Rs.275.9 Crore Non Convertible Debentures&	**CRISIL A+/Stable (Downgraded from 'CRISIL AA-/Negative')**
Rs.500 Crore Non Convertible Debentures	**CRISIL A+/Stable (Downgraded from 'CRISIL AA-/Negative')**
Rs.250 Crore Commercial Paper	**CRISIL A1+ (Reaffirmed)**

& Public Issue

Note: None of the Directors on CRISIL Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

1 crore = 10 million

Refer to annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL Ratings has downgraded its long-term rating on the debt instruments of Nido Home Finance Limited (NHFL) to **'CRISIL A+'** from 'CRISIL AA-' while revising the outlook to '**Stable'** from 'Negative'**.** The short-term rating has been reaffirmed at 'CRISIL A1+'.

The rating action is driven by lower-than-expected revival in core profitability, relatively slower growth in retail (including MSME) lending and continued high level of unprovided monitorable[1] portfolio. However, the group's overall credit profile is supported by adequate capitalization, and a diversified business profile with good market position in asset reconstruction and asset management businesses.

Despite improving from earlier levels, Edelweiss Group's profitability continues to remain subdued, with revival being slower than anticipated. The main reason for muted profitability in recent years has been the stress in its wholesale lending book, in turn leading to higher credit costs; the retail book was also impacted and required higher provisioning in the aftermath of the Covid-19 pandemic. After reporting a loss of Rs 2,044 crore in fiscal 2020, the group reported a profit of Rs 254 crore and Rs 212 crore in fiscal 2021 and fiscal 2022 respectively. However, profitability has been supported by one off item such as capital gains on stake sale of Rs 1,406 crore in fiscal 2021 and Rs 306 crore in fiscal 2022 respectively. In fiscal 2023, the group reported a profit after tax (PAT) of Rs 406 crore; however, excluding the one-off items such as revaluation etc. (and also accelerated provisions made basis the one-off gain), the profit would have been Rs 248 crore. In the first half of fiscal 2024, the group reported an improved PAT of Rs 173 crore, however, the quantum and pace of improvement in profitability remains lower than earlier envisaged. Return on average assets (ROA) was 0.8% (annualised) for the first half of fiscal 2024 against 0.9% for fiscal 2023 and 0.5% for fiscal 2023 and fiscal 2022.

Of the various businesses, the asset reconstruction business and asset management business, mainly alternate assets, remain the largest contributors to overall profitability. The profitability of the credit business has improved from the past levels with credit costs reducing, however remains muted with retail lending yet to gather pace. Further, any challenges in effecting recoveries from the monitorable book as per plan could necessitate higher provisioning and put pressure on profitability and hence, this remains a key monitorable for the rating. The insurance businesses are expected to breakeven only over the next 2-3 years. While the asset reconstruction and alternate assets businesses should continue to support profitability, the group's ability to scale up the retail lending business while managing credit costs will be important and this remains a key monitorable.

In retail lending, the group focuses primarily on mortgages and MSME financing. As on September 30, 2023, this AUM stood at Rs 4,869 crore. This has come down significantly from Rs 11,339 crore as on as at March 2020 and has marginally grown as on September 2023 from Rs 4,271 crore as on June 30, 2023. The decline is owing to the group pivoting to an asset light model with a focus on co-lending as well as for liquidity management. Even from product segment perspective, the group has shifted to mid-size ticket segments. The group has tied up with four partners for the mortgage business and three partners for MSME lending. However, the growth in the co-lending portfolio has been relatively slow, with a delay in operationalising the onboarding and underwriting process with the partners. CRISIL Ratings understands that the operational issues have been steadily resolved and consequently, disbursement has picked up in the first half of fiscal 2024 to Rs 862 crore from Rs 1,176 crore in full year fiscal 2023. However, the ability to significantly scale up hereon and demonstrate higher profitability in a sustained manner is to be seen.

While the asset light model on the credit side reduces the need for on-balance sheet funding compared to past levels, CRISIL Ratings notes that the major source of incremental funding has been through public issue of NCDs, structured NCDs. In this context, it will also be important for the group to demonstrate its ability to diversify its funding sources at optimal costs.

While retail lending is a focus area, the group has been consciously running down the wholesale portfolio through various modes. Hence, the wholesale credit on-book has run down to Rs 2,493 crore as on September 30, 2023, from Rs 11,514 crore as on March 31, 2020. While recoveries have contributed to this, the reduction has been primarily due to sell down to ARCs (both internal and external) and AIFs. However, Edelweiss group has retained risks and rewards on a large portion of this and hence, CRISIL Ratings tracks the monitorable portfolio. Gross Stage III of loan book reduced to Rs 758 crore from Rs 1,222 crore as on March 31, 2020. But the overall monitorable portfolio stood at Rs 11,234 crore as on September 30, 2023, on a gross basis. This comprises gross stage III of Rs 758 crore, loans sold down to external and internal ARCs of Rs 8,628 crore and sold down to AIFs of Rs 1,848 crore. While the monitorable portfolio has reduced from Rs 12,097 crore as on March 31, 2022(Rs 11,383 crore as on March 31, 2021), it remains elevated. However, the group has made provisions against this portfolio, and therefore, the net monitorable portfolio stood at Rs 7,084 core as on September 30, 2023. Further, there are also recoveries expected against these assets over time which would reduce the monitorable portfolio. Basis management estimates, there is a reasonable level of collateral cover on most of this portfolio. Going ahead, any challenges in effecting recoveries as per plan could necessitate higher provisioning and put pressure on profitability and hence, this remains a key monitorable for the rating.

The group's capital position, with its demonstrated ability to raise capital even in challenging times, remains a strength for the rating. Networth stood at Rs 6,282 crore as on September 30, 2023. While it has reduced compared to Rs 8,581 crore as on March 31, 2023, this is because the stake of ~30% in Nuvama Wealth Management Ltd (Nuvama) was distributed to the shareholders of EFSL, as part of the demerger. Resultantly, gearing inched up to 3.2 times (excluding CBLO gearing was 2.94 times) as on September 30, 2023, from 2.5 times (2.26 times) as on March 31, 2023. Nevertheless, this remains lower than 4.3 times (3.95 times) as on March 30, 2020, with the group having made conscious efforts to reduce external debt. Total borrowings have reduced to Rs 20,189 crore (excluding CBLO Rs 18,520 crore) as on September 30, 2023, from Rs 27,492 crore (Rs 25,695 crore) as on March 31, 2021, and Rs 35,553 crore (33,754 crore) as on March 31, 2020. CRISIL Ratings notes that as at September 30, 23, the group has financial flexibility on account of the 15.3% stake in Nuvama (market value of ~Rs 1990 crore as on date).

The Edelweiss group has also been able to build competitive presence in multiple businesses- it is one of the leading players in the alternate assets business and asset reconstruction business and had also established competitive position (now exited) in wealth and institutional businesses. However, with the rundown of wholesale credit, divestment of the wealth management business, and planned stake sale of the housing finance and general insurance businesses, the diversity in the business risk profile is a monitorable.

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[1] Gross Stage 3 accounts in the lending book, security receipts held by the group (including in EARC) pertaining to stressed assets in lending book, and loans sold to AIFs where the external investors have a put option

Analytical Approach

CRISIL Ratings has combined the business and financial risk profiles of EFSL and its subsidiaries (including NHFL). This is because these entities, collectively referred to as the Edelweiss group, have significant operational, financial and managerial linkages.

Please refer Annexure - List of entities consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

Key Rating Drivers & Detailed Description

Strengths:

- **Adequate capitalisation, supported by multiple capital raises**
  Edelweiss group has demonstrated its ability to raise capital from global investors across businesses, despite the tough macroeconomic environment. The group has raised Rs 4,400 crore since 2016 across lending, wealth management and asset management businesses. This has helped maintain the capital position, despite elevated credit costs and absorb the asset-side risks. The group's networth stood at Rs 6282 crore as on September 30, 2023, as against Rs 8581 crore as on March 31, 2023 (Rs 8,537 crore as on March 31, 2022). The networth reduced as ~30% Nuvama's networth was distributed to the shareholders of Edelweiss Financial Services Limited as part of the demerger.

  Resultantly, gearing inched up to 3.2 times (2.94 times excluding CBLO borrowings) as on September 30, 2023, from 2.5 times (2.26 times) as on March 31, 2023 (2.6 times as on March 31, 2022, and 3.2 times as on March 31, 2021). With increased focus on fee-based businesses, and strategy to grow in credit business through an asset-light model, the incremental debt requirement will be low. The group has plans to divest its remaining stake in Nuvama group, and fully or partly exit housing and general insurance businesses, which will further aid in unlocking capital and debt reduction.

- **Demonstrated ability to build significant competitive position across businesses**
  The Edelweiss group is a diversified financial services player, with presence in four verticals i.e. credit (wholesale and retail), insurance (life and general), asset management, and asset reconstruction. The group has attained leading positions in the alternate asset and asset reconstruction businesses and is focusing on building market position in other businesses too, which should lend greater stability to earnings over a period of time.

The asset management business comprises mutual fund and alternate asset businesses. The group is a leading player in the alternate asset segment and its mutual fund AUM has been growing steadily. The asset management AUM grew to Rs 1,64,000 crore as on September 30, 2023, from Rs 1,51,500 crore as on March 31, 2023.

In the distressed assets segment, Edelweiss Asset Reconstruction Company Limited (Edelweiss ARC) is the largest ARC in India, with total securities receipts managed at Rs 37,650 crore as on September 30, 2023 (Rs 37,100 crore and Rs 40,200 crore as on March 31, 2023, and March 31, 2022). From being largely corporate focused, the ARC has, in the recent past, started focusing on retail and micro, small and medium enterprises (MSME) segments. The share of retail is expected to grow over the medium term.

In the lending business, while the wholesale book is under run down, the group is focusing on growth in retail through the asset-light model. The group has entered into agreements with various co-lending partners, which are large domestic and foreign banks, for both the priority and non-priority sector portfolios. The key product offerings in the retail credit book would be mortgage and MSME loans.

The group also houses the life and general insurance businesses, which are gaining scale and are expected to break even over the medium term.

However, with the rundown of wholesale credit, divestment of the wealth management business, and planned stake sale of the housing finance and general insurance businesses, the diversity in the business risk profile is a monitorable.

Weaknesses:

- **Subdued profitability for current size and scale considering presence in multiple businesses**

  Edelweiss Group's profitability has been lower compared to other large, financial sector groups. However, most of the businesses have been reporting profit since the last quarter of fiscal 2021.

  The group reported a PAT of Rs 406 crore in fiscal 2023 against Rs 212 crore and Rs 254 crore in fiscal 2022 and fiscal 2021 (loss of Rs 2,044 crore in fiscal 2020); However, profitability has been supported by a one-off item of revaluation gains (and also accelerated provisions made basis the one-off gain), excluding which the profit would have been Rs 248 crore for fiscal 2023. Similarly, profitability for fiscal 2022 and fiscal 2021 was supported by capital gains on stake sale of Rs 306 crore in fiscal 2022 and Rs 1,406 crore in fiscal 2021 respectively.

  Although in the first half of fiscal 2024, the group reported an improved PAT of Rs 173 crore excluding any one-off items, the quantum and pace of improvement in profitability remains lower than earlier envisaged. Return on average assets (ROA) was 0.8% for the first half of fiscal 2024 against 0.9% for fiscal 2023 and 0.5% for fiscal 2023 and fiscal 2022. The group's overall profitability is weighted down by losses in insurance businesses, however, ex insurance profit stood at Rs 331 crore for the first half of fiscal 2024 against Rs 730 crore for fiscal 2023 and Rs 523 crore fiscal 2022.

  Of the various businesses, the asset reconstruction and asset management businesses, mainly alternate assets, remain the largest contributors to overall profitability forming 74% of overall PAT (ex-insurance) for first half of fiscal 2024. The profitability of the credit business has improved from the past levels with credit costs reducing, however remains muted with retail lending yet to gather pace However, additional provisioning is likely to be required on the monitorable book based on the pace and extent of recovery from underlying assets. The insurance businesses are expected to breakeven only over the next 2-3 years. While the asset reconstruction and alternate assets businesses should continue to support profitability, the group's ability to scale up the retail lending business while managing overall credit costs will be important and this remains a key monitorable.

- **Asset quality monitorable with elevated level of monitorable portfolio**

  The group's overall gross loan book (excluding monitorable portfolio net off on-book gross stage III assets) stood at Rs 6,250 crore as on September 30, 2023, against Rs 7,548 crore as on March 31, 2023, and Rs 10,502 crore as on March 31, 2022. Of this, retail on book stood at Rs 3,853 crore (Rs 3,795 crore and Rs 6,749 crore) and remaining was wholesale book.

  The group has been consciously running down the wholesale portfolio through various modes. While recoveries have contributed to this, the reduction has been primarily due to sell down to ARCs (both internal and external) and AIFs.

  Edelweiss group has retained risks and rewards on a large portion of this and hence, CRISIL Ratings tracks the monitorable portfolio to assess asset quality of the group. This includes gross stage III accounts in the lending book (Rs 758 crore), security receipts held by the group (including in EARC) pertaining to sell down (Rs 8,628 crore) and loans sold down to AIFs (Rs 1,848 crore). Overall monitorable portfolio stood at Rs 11,234 crore. While the monitorable portfolio has reduced from Rs 12,097 crore as on March 31, 2022(Rs 11,383 crore as on March 31, 2021), it remains elevated. CRISIL Ratings notes that although the majority of this monitorable portfolio is on-book exposure of Edelweiss group, some part pertains to exposure of external ARC or AIF wherein the group has extended a put option.

  The group has made provisions against the monitorable portfolio, and therefore, the net monitorable portfolio stood at Rs 7,084 core as on September 30, 2023. Basis management estimates, there is a reasonable level of collateral cover on most of this portfolio.

  The overall gross stage III assets in the lending business stood at Rs 758 crore (12.1% of loans) as on September 30, 2023, against Rs 794 crore (10.5%) as on March 31, 2023 (Rs 930 crore (8.9%) as on March 31, 2022, and Rs 1,601 crore (10.9%)

as on March 31, 2021).Retail book gross stage III was Rs 102 crore (2.6%) as on September 30, 2023, against Rs 124 crore (3.3%) and Rs 182 crore (2.7%) as on March 31, 2023, and March 31, 2022.

However, any challenges in effecting recoveries as per plan could necessitate higher provisioning and put pressure on profitability and hence, this remains a key monitorable for the rating.

Liquidity: Adequate

The group maintains adequate liquidity. As of the end of November 30, 2023, the group had overnight liquidable assets of Rs 2,812 crore, undrawn bank lines of Rs 179 crore and other liquidable assets (includes short term loans and treasury assets) of Rs 658 crore. This is adequate to cover upcoming debt repayments till May 2024.

Outlook: Stable

The 'Stable' outlook factors in the group's adequate capitalisation and flexibility to raise additional capital if needed.

Rating Sensitivity factors

Upward factors
- Substantial improvement in overall profitability of the group
- Significant scale up in the retail lending business with sustained return on managed assets of around 2.5%
- Sharp organic reduction in the monitorable portfolio

Downward factors
- Continued pressure on profitability, with profits going below 2023 levels i.e. lower than Rs 406 crore.
- Funding access challenges with limited fundraising at optimal costs by the group
- Slower traction in resolution of monitorable portfolio

About the Company

NHFL is a housing finance company registered with National Housing Bank (NHB) and was incorporated in May 30, 2008 following the group's strategy of creating a larger retail footprint. The company offers home loans and loans against property. As on September 30, 2023, the company had total assets of Rs 3741 crore.

NHFL reported a profit after tax (PAT) of Rs 16 crore on a total income (net off interest exp) of Rs 149 crore in fiscal 2023 as against PAT of Rs 14 crore on a total income of Rs186 crore in previous fiscal. The company reported PAT of Rs 7 crore on total income of Rs 73 crore in first half of fiscal 2024.

About the Group

The Edelweiss group comprised 28 subsidiaries and associates as on September 30, 2023. The number of companies has come down from 74 as on March 31, 2016, because of multiple factors such as sale, windup and merger among others. The group had 293 offices (including 10 international offices in 6 locations) in around 136 cities as on March 31, 2022. Furthermore, as part of streamlining its operating structure, the group has restructured the businesses into four verticals namely credit, insurance, asset management and asset reconstruction.

The group is present across various financial services businesses, including loans to individuals, mortgage finance - loans against property and small-ticket housing loans, MSME finance, alternative and domestic asset management, and life and general insurance. In addition, the Balance sheet Management Unit (BMU) focuses on liquidity and asset-liability management.

On a consolidated basis, the group reported PAT of Rs 406 crore on a total income of Rs 6,058 crore for fiscal 2023, as against PAT of Rs 212 crore on a total income of Rs 4,228 crore for fiscal 2022.

For the first half of fiscal 2024, the group reported PAT of Rs 173 crore on a total income of Rs 2,819 crore as against PAT of Rs 112 crore on a total income of Rs 2,121 crore during similar period in previous fiscal.

Key Financial Indicators: EFSL (consolidated)

As on/for the period ended		March 2023	March 2022
Total assets	Rs crore	44,064	43,279
Total income net off interest expense	Rs crore	6,058	4,320
PAT	Rs crore	406	212
Gross stage III assets^	Rs crore	794	930
Gross stage III assets	%	10.5	7.4
Net stage III assets	Rs crore	156	201
Net stage III assets	%	2.1	1.1
Gearing	Times	2.4	2.5
Return on assets	%	0.9	0.5

As on/for the period ended		Sept 2023	Sept 2022
Total assets	Rs crore	41,130	42,521
Total income net off interest expense	Rs crore	2,819	2121
PAT	Rs crore	173	112
Gross stage III assets	Rs crore	758	944
Gross stage III assets	%	12.1	10.0
Net stage III assets	Rs crore	96	336

Net stage III assets	**%**	**1.8**	**4.0**
Gearing	**Times**	**3.2**	**2.4**
Return on assets	**%**	**0.8**	**0.5**

^refers to gross stage III of the on balance sheet loan book. The reported gross stage III assets as per annual report is Rs 13,155 crore as on March 31, 2023, and Rs 12,368 crore as on March 31, 2022. Net Stage III was Rs 8313 crore and Rs 8681 crore respectively. These include stage III assets in EARC on monitorable book sold down by ECL Finance, interest accrued on non-performing assets and stage III assets held by group entities other than NBFCs on trade and general-purpose advances.

Any other information: Not applicable

Note on complexity levels of the rated instrument:
CRISIL Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

CRISIL Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the CRISIL Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of instrument	Date of allotment	Coupon rate (%)	Maturity date	Issue size (Rs Cr)	Complexity levels	Rating with outlook
NA	Non Convertible Debentures*#	NA	NA	NA	500	Simple	CRISIL A+/Stable
INE530L07350	Non Convertible Debentures	18-Mar-19	10.03%	18-Mar-29	150	Simple	CRISIL A+/Stable
NA	Non Convertible Debentures#	NA	NA	NA	350	Simple	CRISIL A+/Stable
INE530L07582	Non Convertible Debentures*	15-Sep-2023	8.95	15-Sep-25	21.02	Simple	CRISIL A+/Stable
INE530L07541	Non Convertible Debentures*	15-Sep-2023	Zero	15-Sep-25	2.02	Simple	CRISIL A+/Stable
INE530L07533	Non Convertible Debentures*	15-Sep-2023	9.20%	15-Sep-26	19.43	Simple	CRISIL A+/Stable
INE530L07624	Non Convertible Debentures*	15-Sep-2023	9.60%	15-Sep-26	10.25	Simple	CRISIL A+/Stable
INE530L07616	Non Convertible Debentures*	15-Sep-2023	Zero	15-Sep-26	1.72	Simple	CRISIL A+/Stable
INE530L07608	Non Convertible Debentures*	15-Sep-2023	9.67	15-Sep-28	5	Simple	CRISIL A+/Stable
INE530L07558	Non Convertible Debentures*	15-Sep-2023	10.1	15-Sep-28	15.88	Simple	CRISIL A+/Stable
INE530L07566	Non Convertible Debentures*	15-Sep-2023	Zero	15-Sep-28	0.77	Simple	CRISIL A+/Stable
INE530L07574	Non Convertible Debentures*	15-Sep-2023	10	15-Sep-33	2.51	Simple	CRISIL A+/Stable
INE530L07590	Non Convertible Debentures*	15-Sep-2023	10.45	15-Sep-33	6.27	Simple	CRISIL A+/Stable
NA	Non Convertible Debentures*#	NA	NA	NA	65.13	Simple	CRISIL A+/Stable
INE530L07426	Non Convertible Debentures*	29-Apr-22	8.50%	29-Apr-24	38.81	Simple	CRISIL A+/Stable
INE530L07434	Non Convertible Debentures*	29-Apr-22	0.00%	29-Apr-24	12.82	Simple	CRISIL A+/Stable
INE530L07442	Non Convertible Debentures*	29-Apr-22	8.70%	29-Apr-25	42.99	Simple	CRISIL A+/Stable
INE530L07459	Non Convertible Debentures*	29-Apr-22	9.05%	29-Apr-25	44.56	Simple	CRISIL A+/Stable
INE530L07467	Non Convertible Debentures*	29-Apr-22	0.00%	29-Apr-25	16.06	Simple	CRISIL A+/Stable
INE530L07475	Non Convertible Debentures*	29-Apr-22	9.15%	29-Apr-27	53.88	Simple	CRISIL A+/Stable
INE530L07483	Non Convertible Debentures*	29-Apr-22	9.55%	29-Apr-27	31.97	Simple	CRISIL A+/Stable

INE530L07491	Non Convertible Debentures*	29-Apr-22	0.00%	29-Apr-27	9.77	Simple	CRISIL A+/Stable
INE530L07509	Non Convertible Debentures*	29-Apr-22	9.30%	29-Apr-32	17.19	Simple	CRISIL A+/Stable
INE530L07517	Non Convertible Debentures*	29-Apr-22	9.70%	29-Apr-32	7.85	Simple	CRISIL A+/Stable
NA	Long Term Bank Loan Facility^	NA	NA	NA	2260	NA	CRISIL A+/Stable
NA	Proposed Long Term Bank Loan Facility^	NA	NA	NA	50	NA	CRISIL A+/Stable
NA	Overdraft Facility	NA	NA	NA	25	NA	CRISIL A+/Stable
NA	Commercial Paper Programme	NA	NA	7-365 days	250	Simple	CRISIL A1+

**Public Issue*
#Yet to be issued/unutilized
^Interchangeable between short term and long term

Annexure – List of entities consolidated (as on September 30, 2023)

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
ECL Finance Ltd	Full	Subsidiary
Edelcap Securities Ltd	Full	Subsidiary
Edelweiss Asset Management Ltd	Full	Subsidiary
ECap Securities and Investments Limited (Formerly known as ECap Equities Limited)	Full	Subsidiary
Edelweiss Trusteeship Company Ltd	Full	Subsidiary
Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Ltd)	Full	Subsidiary
Edelweiss Investment Adviser Ltd	Full	Subsidiary
ECap Equities Limited (formerly known as Edel Land Limited)	Full	Subsidiary
Edelweiss Investment Advisors Ltd	Full	Subsidiary
Edelweiss Rural & Corporate Services Ltd	Full	Subsidiary
Comtrade Commodities Services Limited (Formerly known as Edelweiss Comtrade Ltd)	Full	Subsidiary
Edel Finance Company Ltd	Full	Subsidiary
Edelweiss Retail Finance Ltd	Full	Subsidiary
Edelweiss Multi Strategy Fund Advisors LLP	Full	Subsidiary
Zuno General Insurance Limited (formerly known as Edelweiss General Insurance Company Ltd)	Full	Subsidiary
Edelweiss Securities and Investment Pvt Ltd	Full	Subsidiary
EC International Ltd	Full	Subsidiary
Nuvama Investment Advisors LLC (formerly known as EAAA LLC)	Full	Subsidiary
Edelweiss Alternative Asset Advisors Pte. Ltd	Full	Subsidiary
Edelweiss International (Singapore) Pte Ltd	Full	Subsidiary
EdelGive Foundation	Full	Subsidiary
Edelweiss Alternative Asset Advisors Ltd	Full	Subsidiary
Edelweiss Private Equity Tech Fund	Full	Subsidiary
Edelweiss Value and Growth Fund	Full	Subsidiary
Edelweiss Asset Reconstruction Company Ltd	Full	Subsidiary
Edelweiss Tokio Life Insurance Company Ltd	Full	Subsidiary
Allium Finance Private Ltd	Full	Subsidiary
Edelweiss Global Wealth Management Limited	Full	Subsidiary
Edelweiss Capital Services Ltd	Full	Subsidiary
India Credit Investment Fund II	Full	Subsidiary
Sekura India Management Ltd	Full	Subsidiary
Edelweiss Retail Assets Managers Ltd	Full	Subsidiary

Annexure - Rating History for last 3 Years

	Current			2023 (History)		2022		2021		2020		Start of 2020
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	2335.0	CRISIL A+/Stable	23-06-23	CRISIL AA-/Negative	22-12-22	CRISIL AA-/Negative	10-12-21	CRISIL AA-/Negative	07-09-20	CRISIL AA-/Negative	CRISIL AA-/Stable

			--	03-02-23	CRISIL AA-/Negative	22-10-22	CRISIL AA-/Negative	24-09-21	CRISIL AA-/Negative	25-05-20	CRISIL AA-/Negative	--
			--		--	27-06-22	CRISIL AA-/Negative	27-08-21	CRISIL AA-/Negative		--	--
			--		--	16-03-22	CRISIL AA-/Negative	02-08-21	CRISIL AA-/Negative		--	--
			--		--	04-03-22	CRISIL AA-/Negative		--		--	--
Commercial Paper	ST	250.0	CRISIL A1+	23-06-23	CRISIL A1+	22-12-22	CRISIL A1+	10-12-21	CRISIL A1+	07-09-20	CRISIL A1+	CRISIL A1+
			--	03-02-23	CRISIL A1+	22-10-22	CRISIL A1+	24-09-21	CRISIL A1+	25-05-20	CRISIL A1+	--
			--		--	27-06-22	CRISIL A1+	27-08-21	CRISIL A1+		--	--
			--		--	16-03-22	CRISIL A1+	02-08-21	CRISIL A1+		--	--
			--		--	04-03-22	CRISIL A1+		--		--	--
Non Convertible Debentures	LT	1425.9	CRISIL A+/Stable	23-06-23	CRISIL AA-/Negative	22-12-22	CRISIL AA-/Negative	10-12-21	CRISIL AA-/Negative	07-09-20	CRISIL AA-/Negative	CRISIL AA-/Stable
			--	03-02-23	CRISIL AA-/Negative	22-10-22	CRISIL AA-/Negative	24-09-21	CRISIL AA-/Negative	25-05-20	CRISIL AA-/Negative	--
			--		--	27-06-22	CRISIL AA-/Negative	27-08-21	CRISIL AA-/Negative		--	--
			--		--	16-03-22	CRISIL AA-/Negative	02-08-21	CRISIL AA-/Negative		--	--
			--		--	04-03-22	CRISIL AA-/Negative		--		--	--
Subordinated Debt	LT		--		--		--	27-08-21	Withdrawn	07-09-20	CRISIL AA-/Negative	CRISIL AA-/Stable
			--		--		--	02-08-21	CRISIL AA-/Negative	25-05-20	CRISIL AA-/Negative	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Long Term Bank Facility^	700	State Bank of India	CRISIL A+/Stable
Long Term Bank Facility^	200	National Housing Bank	CRISIL A+/Stable
Long Term Bank Facility^	100	United Bank of India	CRISIL A+/Stable
Long Term Bank Facility^	100	Canara Bank	CRISIL A+/Stable
Long Term Bank Facility^	100	National Housing Bank	CRISIL A+/Stable
Long Term Bank Facility^	50	Central Bank Of India	CRISIL A+/Stable
Long Term Bank Facility^	40	Indian Overseas Bank	CRISIL A+/Stable
Long Term Bank Facility^	650	Bank of India	CRISIL A+/Stable
Long Term Bank Facility^	20	National Housing Bank	CRISIL A+/Stable
Long Term Bank Facility^	50	National Housing Bank	CRISIL A+/Stable
Long Term Bank Facility^	250	Canara Bank	CRISIL A+/Stable
Overdraft Facility	25	Andhra Bank	CRISIL A+/Stable
Proposed Long Term Bank Loan Facility^	50	Not Applicable	CRISIL A+/Stable

^Interchangeable between short term and long term

Criteria Details

Links to related criteria
CRISILs Bank Loan Ratings - process, scale and default recognition
Rating Criteria for Finance Companies
CRISILs Criteria for rating short term debt
CRISILs Criteria for Consolidation

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Note for Media:
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ANNEXURE B – DEBENTURE TRUSTEE CONSENT LETTER

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50987/CL/MUM/24-25/DEB/20
Date: 29th April, 2024

NIDO Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)
Tower 3, 5th Floor, Wing B,
Kohinoor City Mall, Kohinoor City,
Kirol Road , Kurla (W),
Mumbai-400070,Maharashtra
India

Dear Ma'am/Sir,

Subject: Proposed Public Offering of Secured Redeemable Non-Convertible Debenture ("NCDs") of ₹ 500 million ("Base Issue"), with a green shoe option of up to ₹ 500 million, aggregating up to ₹ 1000 million ("Issue") of Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited) ("Company" or "Issuer").

We, the undersigned, hereby consent to be named as the Debenture Trustee to the Issue and to our name being inserted as the Debenture Trustee to the Issue in the Draft Prospectus to be filed with the BSE Limited ("BSE" or "Stock Exchange") to be forwarded to Securities and Exchange Board of India ("SEBI") and the Prospectus to be filed with the Registrar of Companies, Mumbai ("RoC"), Stock Exchange and to be forwarded to SEBI in respect of the Issue and also in all related advertisements and communications sent pursuant to the Issue. The following details with respect to us may be disclosed:

Name:	Beacon Trusteeship Limited
Address:	7 A & B, Siddhivinayak Chambers, Opposite MIG Cricket Club,Gandhi Nagar,Bandra East, Mumbai 400 051
Telephone:	022-46060278
Fax:	-
Email:	compliance@beacontrustee.co.in
Investor Grievance Email:	investorgrievances@beacontrustee.co.in
Website:	https://beacontrustee.co.in/
Contact Person:	Mr. Kaustubh Kulkarni
Compliance Officer:	Mr. Kaustubh Kulkarni
CIN:	U74999MH2015PLC271288
SEBI Registration No.:	IND000000569
Logo:	BEACON TRUSTEESHIP

We confirm that we are registered with the SEBI and that such registration is valid as on the date of this letter. We enclose a copy of our registration certificate enclosed herein as **Annexure A** and declaration regarding our registration with SEBI as **Annexure B.**

We also confirm that we have not been prohibited by SEBI to act as an intermediary in capital market issues. We confirm that we have not been prohibited to act as a debenture trustee by the SEBI.

We hereby authorise you to deliver this letter of consent to the RoC, pursuant to the provisions of Section 26 of the Companies Act, 2013 and other applicable laws or any other regulatory/statutory authorities as required by law.

We also agree to keep strictly confidential, until such time as the proposed transaction is publicly announced by the Company in the form of a press release, (i) the nature and scope of this transaction; and (ii) our knowledge of the proposed transaction of the Company.

We confirm that we will immediately inform the Company and the Lead Managers of any change to the above information until the date when the proposed Public Issue of NCDs commence trading on the Stock Exchange. In the absence of any such communication from us, the above information should be taken as updated information until the NCDs commence trading.

This letter may be relied upon by you, the Lead Managers and the legal advisor to the Issue in respect of the Issue.

Sincerely,
For Beacon Trusteeship Limited

Beacon Trusteeship Limited

Veena Nautiyal
Associate Director
Authorised Signatory

CC:

Khaitan & Co
One World Centre
10th & 13th Floor, Tower 1C,
Senapati Bapat Marg,
Mumbai 400 013
Maharashtra, India

BEACON
TRUSTEESHIP

Annexure A

प्ररूप ख
FORM-B

डिबेंचर न्यासी

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनिमय बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA

(डिबेंचर न्यासी) विनियम, 1993
(DEBENTURE TRUSTEE) REGULATIONS, 1993

000271

(विनियम 8)
(Regulation 8)

रजिस्ट्रीकरण प्रमाणपत्र
CERTIFICATE OF REGISTRATION

1) बोर्ड, भारतीय प्रतिभूति और विनिमय बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ पठित उस अधिनियम की धारा-12 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए,

1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for the debenture trustee the Board hereby grants a certificate of registration to

Beacon Trusteeship Limited,
7A and 7B, Siddhivinayak Chambers,
Gandhi Nagar, Opp. MIG Cricket Club,
Bandra East,
Mumbai - 400051

को नियमों में, शर्तों के अधीन रहते हुए और विनियमों के अनुसार डिबेंचर न्यासी के रूप में रजिस्ट्रीकरण का प्रमाणपत्र इसके द्वारा प्रदान करता है।
as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.

2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कूट है।
2) Registration Code for the debenture trustee is **IND000000569**

This certificate of registration shall be valid till it is suspended or cancelled by the Board.

3) जब तक नवीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र से तक विधिमान्य है।
3) Unless renewed, the certificate of registration is valid from to

भारतीय प्रतिभूति और विनिमय बोर्ड
के लिए और उसकी ओर से
By order
For and on behalf of
Securities and Exchange Board of India

स्थान Place : **Mumbai**

तारीख Date : **March 28, 2024**

RACHNA ANAND
प्राधिकृत हस्ताक्षरकर्ता Authorised Signatory

Annexure B

50987/CL/MUM/24-25/DEB/20
Date: 29th April, 2024

NIDO Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)
Tower 3, 5th Floor, Wing B,
Kohinoor City Mall, Kohinoor City,
Kirol Road , Kurla (W),
Mumbai-400070,Maharashtra
India

Dear Ma'am/Sir,

Subject: Proposed Public Offering of Secured Redeemable Non-Convertible Debenture ("NCDs") of ₹ 500 million ("Base Issue"), with a green shoe option of up to ₹ 500 million, aggregating up to ₹ 1000 million ("Issue") of Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited) ("Company" or "Issuer").

We hereby confirm that as on date the following details in relation to our registration with the Securities and Exchange Board of India as a Debenture Trustee is true and correct:

1.	Registration Number	IND000000569
2.	Date of Registration/Renewal of Registration	12th Feb 2021
3.	Date of expiry of registration	Permanent Certificate
4.	If applied for renewal, date of application	NA
5.	Any communication from SEBI prohibiting the entity from acting as an intermediary	NA
6.	Any enquiry/investigation being conducted by SEBI	NA
7.	Details of any penalty imposed by SEBI	NA

We hereby enclose a copy of our SEBI registration certificate.

We shall immediately intimate the Company of any changes, additions or deletions in respect of the matters covered in this certificate till the date when the securities of the Issuer, offered, issued and allotted pursuant to the Issue, are traded on the relevant Stock Exchange. In the absence of any such communication from us, the above information should be taken as updated information until the NCDs commence trading.

For Beacon Trusteeship Limited

Beacon Trusteeship Limited

Veena Nautiyal
Associate Director
Authorised Signatory

ANNEXURE C – FINANCIAL STATEMENTS

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Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 52(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to
The Board of Directors
Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited)

1. We have reviewed the accompanying statement of unaudited financial results of **Nido Home Finance Limited (formerly known as** Edelweiss Housing Finance Limited) (the "Company") for the quarter ended December 31, 2023 and year to date from April 1, 2023 to December 31, 2023 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

2. The Company's Management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder, the relevant guidelines and directions issued by Reserve Bank of India (the "RBI Guidelines"), other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. The Statement has been approved by the Company's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Ind AS 34 prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder, the RBI Guidelines and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

For NGS & Co. LLP
Chartered Accountants
Firm Registration No.: 119850W

RAM PRASAD SONI
Digitally signed by RAM PRASAD SONI
Date: 2024.01.23 14:53:45 +05'30'

R. P. Soni
Partner
Membership No.: 104796

UDIN: 24104796BKBEGH1710

Place: Mumbai
Date: January 23, 2024

Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)
Corporate Identity Number: U65922MH2008PLC182906
Registered Office: Tower 3, 5th Floor, Wing 'B', Kohinoor City Mall, Kohinoor City,
Kirol Road, Kurla (west), Mumbai – 400070 Tel: +91 22 4272 2200
Email ID: assistance@nidohomefin.com. Website: www.nidohomefin.com

Financial Results for the quarter and nine months ended December 31, 2023

(₹ in Crores)

	Particulars	Quarter Ended			Nine Months ended		Year Ended
		December 31, 2023 (Unaudited)	September 30, 2023 (Unaudited)	December 31, 2022 (Unaudited)	December 31, 2023 (Unaudited)	December 31, 2022 (Unaudited)	March 31, 2023 (Audited)
1	**Revenue from operations**						
	(a) Interest income	101.10	100.87	102.87	304.09	312.05	416.31
	(b) Dividend income	0.22	0.22	0.17	0.66	0.17	0.41
	(c) Fee and commission income	8.31	9.95	5.31	21.39	13.69	19.87
	(d) Net gain on fair value changes	2.59	0.86	1.51	6.35	1.92	4.87
	Total revenue from operations	**112.22**	**111.90**	**109.86**	**332.49**	**327.83**	**441.46**
2	**Other income**	2.07	1.36	0.70	4.93	2.10	3.22
3	**Total Income (1+2)**	**114.29**	**113.26**	**110.56**	**337.42**	**329.93**	**444.68**
4	**Expenses**			-			
	(a) Finance costs	74.66	75.53	73.07	225.06	217.99	295.88
	(b) Employee benefits expense	18.45	17.42	17.43	53.76	46.46	65.03
	(c) Depreciation and amortisation expense	1.72	1.50	1.06	4.49	3.10	3.84
	(d) Impairment on financial instruments	2.43	(0.41)	2.82	1.13	6.15	4.36
	(e) Other expenses	13.69	14.66	12.33	40.54	39.22	54.77
	Total expenses	**110.95**	**108.70**	**106.71**	**324.98**	**312.92**	**423.88**
5	**Profit / (Loss) before tax (3-4)**	**3.34**	**4.56**	**3.85**	**12.44**	**17.01**	**20.80**
6	**Tax expense**	**0.76**	**1.18**	**0.24**	**3.02**	**3.78**	**4.74**
	Current tax (includes reversal of excess / short provision of earlier years)	2.20	0.55	1.88	4.28	6.32	7.76
	Deferred tax	(1.44)	0.63	(1.64)	(1.26)	(2.54)	(3.02)
7	**Net Profit / (Loss) after tax for the period (5-6)**	**2.58**	**3.38**	**3.61**	**9.42**	**13.23**	**16.06**
8	**Other Comprehensive Income**	-	-	-	-	-	0.24
9	**Total Comprehensive Income (7+8)**	**2.58**	**3.38**	**3.61**	**9.42**	**13.23**	**16.30**
10	**Earnings Per Share (₹) (Face Value of ₹ 10/- each)***						
	- Basic	0.37	0.49	0.52	1.36	1.91	2.32
	- Diluted	0.37	0.49	0.52	1.36	1.91	2.32

* Not annualised for the quarters and nine month ended

Notes:

1. Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited) (the 'Company'/ 'Nido') has prepared unaudited financial results (the 'Statement') for the quarter and nine month ended December 31, 2023 in accordance with Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations, 2015'), as amended, and the Accounting Standards specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and the relevant provision of the Companies Act, 2013, as applicable.

2. The above financial results of the Company are reviewed and recommended by the Audit Committee and have been approved by the Board of Directors of the Company at their respective meetings held on January 23, 2024.

3. The results for the quarter ended December 31, 2023 being derived figures between unaudited figures in respect of nine months ended December 31, 2023 and year to date figures upto half year ended September 30, 2023.

4. Micro, Small and Medium Enterprises (MSME) sector - Restructuring of advances as at December 31, 2023
The Company has restructured the accounts as per RBI circular circulars DBR.No.BP.BC.100/21.04.048/2017-18 dated February 7,2018, DBR.No.BP.BC.108/21.04.048/2017-18 dated June 6, 2018, circular DBR.No.BP.BC.18/21.04.048/2018-19 dated January 1, 2019,circular DOR.No.BP.BC.34/21.04.048/2019-20 dated February 11, 2020 and DOR.No.BP.BC/4/21.04.048/2020-21 dated August 6, 2020.

(₹ in Crores)

Type of borrower	**No. of accounts restructured***	**Amount**
MSME	24.00	10.15

** Excludes accounts closed / written off during the period*

5. Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated 24 September 2021.

(a).(i) The Company has not transfer through assignment in respect of loans not in default during the quarter and nine month ended December 31, 2023.

(a).(ii) Details of loans acquired through assignment in respect of loans not in default during the the quarter and nine month ended December 31,

Particulars	**Quarter Ended December 31, 2023**	**Nine Months Ended December 31, 2023**
Aggregate outstanding of loans acquired (₹ in Crores)	-	42.00
Aggregate consideration paid (₹ in Crores)	-	42.00
Weighted average residual tenor of loans acquired (in months)	-	51.00

(a).(iii) Details of loans replaced / repurchased not in default which were transferred earlier during the quarter and nine month ended December 31,

Particulars	**Quarter Ended December 31, 2023**	**Nine Months Ended December 31, 2023**
Count or Loan accounts replaced	Nil	Nil
Amount of Loan account replaced (₹ in Crores)	Nil	Nil
Damages paid	Nil	Nil

(b) Details of transfer through PTC in respect loans not in defaults for the quarter and nine month ended December 31, 2023

Particulars	**Quarter Ended December 31, 2023**	**Nine Months Ended December 31, 2023**
Count or Loan accounts Assigned	351	2,515
Amount of Loan account Assigned (₹ in Crores)	67.79	469.86
Retention of beneficial economic interest (MRR) (%)	10%	10%,20%
Weighted Average Maturity (Residual Maturity) (in years)	16.97	12.98
Weighted Average Holding Period (in years)	1.17	3.40
Coverage of tangible security coverage	100%	100%
Rating-wise distribution of rated loans	AAA(SO)	A+(SO), Unrated , AAA(SO), A(SO)

(c) Details of transfer through Co-lending in respect of loans not in default for the quarter and nine month ended December 31, 2023

Particulars	**Quarter Ended December 31, 2023**	**Nine Months Ended December 31, 2023**
Count or Loan accounts Assigned	24	74
Amount of Loan account Assigned (₹ in Crores)	14.96	60.36
Retention of beneficial economic interest (MRR) (%)	20%	20%
Weighted Average Maturity (Residual Maturity) (in years)	14.03	13.59
Weighted Average Holding Period (in years)	0.32	0.26
Coverage of tangible security coverage	100%	100%
Rating-wise distribution of rated loans	Unrated	Unrated

(d) Details of stressed loans transferred during the quarter and nine month ended December 31, 2023

Particulars	**To ARCs**	
	Quarter Ended December 31, 2023	**Nine Months Ended December 31, 2023**
No. of accounts	-	176
Aggregate exposure of loans transferred (₹ in Crores)	-	39.28
Weighted average residual tenor of the loans transferred (In years)	-	9.98
Net book value of loans transferred (at the time of transfer) (₹ in Crores)	-	32.17
Aggregate consideration (₹ in Crores)	-	31.68
Additional consideration realized in respect of accounts transferred in earlier years (₹ in Crores)	-	-

(e)The Company has not acquired any stressed loan during quarter and nine month ended December 31, 2023.

6. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
7. The secured non-convertible debentures issued by the Company are fully secured by first pari passu charge by mortgage of the Company's immovable property and/or by hypothecation of book debts/ loan receivables and other assets to the extent as stated in the information memorandum. Further, the Company has maintained asset cover as stated in the information memorandum which is sufficient to discharge the principal amount and other dues at all times for the non-convertible debt securities issued by the Company.
8. Figures for the previous period/ year have been regrouped/ reclassified wherever necessary to conform to current period presentation.
9. Disclosure in compliance with Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the nine month ended December 31, 2023 is attached as Annexure-A.

On behalf of the Board of Directors

RAJAT RAVI AVASTHI Digitally signed by RAJAT RAVI AVASTHI Date: 2024.01.23 14:49:08 +05'30'

Rajat Avasthi

Mumbai
January 23, 2024

MD & CEO
DIN: 07969623

Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)

Annexure – A

Disclosure in compliance with regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, for the nine month ended December 31, 2023

Sr. No.	Particulars	Nine month ended December 31, 2023 (Unaudited)	Year Ended March 31, 2023 (Audited)
1	Debt-equity Ratio (refer note 1)	3.57	3.68
2	Outstanding redeemable preference shares (quantity and value)	Nil	Nil
3	Debenture redemption reserve (₹ in Crores)	25.63	25.63
4	Net worth (refer note 2) (₹ in Crores)	804.92	794.47
5	Net profit after tax (₹ in Crores)	9.42	16.06
6	Earnings per share (not annualised)		
6.a	Basic (₹)	1.36	2.32
6.b	Diluted (₹)	1.36	2.32
7	Total debts to total assets (refer note 3)	0.76	0.77
8	Net profit margin (%) (refer note 4)	2.83%	3.64%
9	Sector specific equivalent ratios as applicable		
	(a) Capital to risk-weighted assets ratio (CRAR) (%)	34.84%	32.06%
	(b) Tier I CRAR (%)	34.84%	32.06%
	(c) Tier II CRAR (%)	0.00%	0.00%
	(d) Stage 3 ratio (gross) (%) (refer note 5)	2.24%	1.91%
	(e) Stage 3 ratio (net) (%) (refer note 6)	1.61%	1.46%

The Company, being a Housing Finance Company ('HFC'), disclosure of Current ratio, Long term debt to working capital, Bad debts to Account receivable ratio, Current liability ratio, Debtors turnover, Inventory turnover, Operating margin ratio, Debt service coverage ratio and Interest service coverage ratio are not applicable.

Notes:-

1 Debt-equity Ratio = Total Debt (Debt Securities + Borrowings (other than debt securities) +Subordinated Liabilities + Securitisation Liability) / Net worth

2 Net worth = Share capital + Share application money pending allotment + Reserves & Surplus – Deferred Tax Assets

3 Total debts to total assets = Total Debt (Debt Securities + Borrowings (other than debt securities) + Subordinated Liabilities + Securitisation Liability) / Total assets

4 Net profit margin (%) = Net profit after tax / Revenue from Operations

5 Stage 3 ratio (gross) = Gross Stage 3 loans / Gross Loans

6 Stage 3 ratio (net) = (Gross stage 3 loans - Impairment loss allowance for Stage 3) / Gross Loans

Independent Auditors' Report

To the Members of Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited)
Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited)** ("the Company"), which comprise the Balance sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its Profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India (the 'ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS Financial Statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS Financial Statements. The results of our audit procedures including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS Financial Statements.

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Key audit matters	How our audit addressed the key audit matter
Impairment of financial instruments (including provision for expected credit losses) (as described in note 46.1 of the Ind AS Financial Statements)	
Ind AS 109: Financial Instruments ("Ind AS 109") requires the Company to provide for impairment of its financial instruments using the expected credit loss ('ECL') approach involving an estimation of probability of loss on the financial instruments over their life, considering reasonable and supportable information about past events, current conditions and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. In the process, a significant degree of judgement has been applied by the management in respect of following matters: • Defining qualitative/quantitative thresholds for 'significant increase in credit risk' ("SICR") and 'default'. • Estimation of losses in respect of loans or groups of loans which had no/ minimal defaults in the past. • Grouping of borrowers based on homogeneity by using appropriate statistical techniques. • Staging of loans and estimation of behavioral life. • Determining macro-economic factors impacting credit quality of receivables. The Company has developed models that derive key assumptions used within the provision calculation such as probability of default (PD) and loss given default (LGD). The output of these models is then applied to the provision calculation with other information including the exposure at default (EAD). Given the high degree of management's judgement involved in estimation of ECL, it is an area of material uncertainty and a key audit matter.	• Our audit procedures included considering the Company's accounting policies for impairment of financial instruments and assessing compliance with the policies in terms of Ind AS 109 and with the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on March 13, 2020 ("RBI Guidelines"). • Tested the assumptions used by the Company for grouping and staging of loan portfolio into various categories. • Tested the operating effectiveness of the controls for staging of loans based on their past-due status. Tested a sample of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under stage 2 or 3. • Assessed the additional considerations applied by the management for staging of loans as SICR. • Tested the ECL model, including assumptions and underlying computation. Tested the input data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records. • Tested assumptions used by the management in determining the overlay for macro-economic factors. • Tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets. • Test checked the basis of collateral valuation in the determination of ECL provision. • Compared the disclosures included in the Ind AS Financial Statements in respect of expected credit losses with the requirements of Ind AS 107 and 109.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Ind AS Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

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(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act; and

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. a) The management has represented to us that, to the best of its knowledge and belief, as disclosed in the note 53(vii)(a) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiary") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiary;

b) The management has represented to us that, to the best of its knowledge and belief, as disclosed in the note 53(vii)(b) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

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vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For NGS & Co. LLP
Chartered Accountants
Firm Registration No.: 119850W

NGS & CO. LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

R. P. Soni
Partner
Membership No.: 104796

UDIN: 23104796BGWDJD9050

Place: Mumbai
Date: May 08, 2023

Annexure A to the Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited) ('the Company') on the financial statements for the year ended March 31, 2023, we report that:

(i) (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(a)(B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) The Company has a regular programme of physical verification of its property, plant and equipment by which all the property, plant and equipment are verified in a phased manner over a period of three years. In our opinion this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management and on the basis of our examination of the records of the Company, the title deed of immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements is held in the name of the Company.

(d) According to the information and explanations given by the management, the Company has not revalued its Property, Plant and Equipment (including Right of use assets) and intangible assets during the year ended March 31, 2023.

(e) According to the information and explanations given by the management, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company's business does not involve inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.

(b) As disclosed in note 20(ii) to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

(iii) (a) In our opinion and according to the information and explanations given to us, Company being a non-banking financial company the provisions of clause 3(iii)(a) are not applicable to the Company and hence not commented upon.

(b) According to the information and explanations given by the management and on the basis of our examination of the records of the Company, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided during the year to companies, firms, Limited Liability Partnerships and other parties are not prejudicial to the Company's interest.

(c) In respect of loans and advances in the nature of loans, granted by the Company as part of its business, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Having regard to the voluminous nature of loan transactions, it is not practicable to furnish entity-wise details of amount, due date for repayment or receipt and the extent of delay (as suggested in the Guidance Note on CARO 2020, issued by the Institute of Chartered Accountants of India for reporting under this clause) in this report, in respect of loans and advances which were not repaid / paid when they were due or were repaid / paid with a delay, in the normal course of lending business.

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Further, except for those instances where there are delays or defaults in repayment of principal and / or interest as at the balance sheet date, in respect of which the Company has disclosed asset classification / staging of loans in note 10.1(a) to the financial statements in accordance with Indian Accounting Standards (Ind AS) and the guidelines issued by the Reserve Bank of India, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.

(d) In respect of loans and advances in the nature of loans, the total amount overdue for more than ninety days as at March 31, 2023 and the details of the number of such cases, are disclosed in note 10.1(a) to the financial statements. In such instances, in our opinion, reasonable steps have been taken by the Company for recovery of the overdue amount of principal and interest.

(e) Company being a Housing Financial Company the provisions of clause 3(iii)(e) are not applicable to the Company and hence not commented upon.

(f) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantee and securities granted in respect of which the provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) According to the information and explanations given by the management, the Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) To the best of our knowledge, the Company is not in the business of sale of any goods or provision of such services as prescribed u/s 148 (1) of Companies Act, 2013. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employee state insurance, income-tax, service tax, goods and service tax, cess and other material statutory dues, applicable to it, have generally been regularly deposited during the year by the Company with the appropriate authorities. The provisions relating to duty of excise, duty of custom, sales tax, value added tax and cess are not applicable to the Company.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee state insurance, income-tax, service tax, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, there are no dues of provident fund, employee state insurance, service tax, goods and service tax and cess which have not been deposited with the appropriate authorities on account of any dispute. The provisions relating to duty of excise, duty of custom, sales tax, value added tax and cess are not applicable to the Company. The dues outstanding in respect of income tax on account of dispute, are as follows:

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Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act,1961	Income Tax	4,45,523	AY 2020-21	CIT(A)

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared willful defaulter by any bank or financial institution or other lender.

(c) In our opinion and according to the information and explanations given to us, term loans availed by the Company during the year, were applied by the Company for the purposes for which the loans were obtained.

(d) In our opinion and on an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that the Company has utilized the monies raised during the year by way of public offer (including debt instruments) in the nature of Non convertible debenture for the purposes for which they were raised.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partially or optionally convertible) during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that no fraud by the Company or on the Company has been notice or reported during the year.

(b) According to the information and explanations given to us, during the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor, predecessor auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

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(xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) to 3(xii)(c) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

(b) The Company has valid Certificate of Registration (CoR) from the National Housing Bank as per the National Housing Bank Act, 1987 for conducting Housing Finance activities.

(c) Based on our examination, the Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(d) According to the information and explanations given by the management, the Group has one Core Investment Company as part of the Group.

(xvii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not incurred cash losses in the current financial year and immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 53 (iii) to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no unspent amounts in respect of other than ongoing projects, that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 35.2 to the financial statements.

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(b) According to the information and explanations given to us, there are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 35.2 to the financial statement.

(xxi) The Report is part of standalone financials of the Company hence the requirement to report on clause 3(xxi) of the Order is not applicable to the Company.

For NGS & Co. LLP
Chartered Accountants
Firm Registration No.: 119850W

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

R. P. Soni
Partner
Membership No.:104796

UDIN: 23104796BGWDJD9050

Place: Mumbai
Date: May 08, 2023

Annexure B to the Auditors' Report

Annexure B the Independent Auditor's report of even date on the financial statements of Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited) ("the Company")

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited)** ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

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Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For NGS & Co. LLP
Chartered Accountants
Firm Registration No.:119850W

NGS & CO. LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

R. P. Soni
Partner
Membership No.:104796

UDIN: 23104796BGWDJD9050

Place: Mumbai
Date: May 08, 2023

Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)
Balance Sheet as at March 31, 2023
(Currency : Indian rupees in millions)

	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
Financial assets			
Cash and cash equivalents	6	1,003.39	2,929.57
Bank balances other than cash and cash equivalents	7	1,993.25	2,072.78
Trade receivables	8	39.89	56.78
Loans	9	30,270.43	30,964.41
Investments	10	2,804.02	2,618.06
Other financial assets	11	1,208.49	571.82
		37,319.47	39,213.42
Non-financial assets			
Current tax assets (net)	12	213.55	113.67
Investment property	14	23.88	-
Property, plant and equipment	15	122.14	128.32
Other intangible assets	16	48.81	5.11
Intangible assets under development	16 (a)	13.99	17.35
Other non- financial assets	17	120.54	88.72
		542.91	353.17
TOTAL ASSETS		37,862.38	39,566.59
LIABILITIES			
Financial liabilities			
Trade payables	18		
(i) total outstanding dues of micro enterprises and small enterprises		8.17	5.19
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		98.26	141.32
Debt securities	19	7,998.79	7,935.92
Borrowings (other than debt securities)	20	9,966.96	14,485.73
Subordinated liabilities	21	508.63	508.63
Other financial liabilities	22	11,182.87	8,549.48
		29,763.68	31,626.27
Non-financial liabilities			
Current tax liabilities (net)	23	13.90	5.68
Provisions	24	43.85	43.98
Deferred tax liabilities (net)	13	42.46	71.81
Other non-financial liabilities	25	53.81	42.53
		154.02	164.00
Equity			
Equity share capital	26	693.50	693.50
Other equity	27	7,251.18	7,082.82
		7,944.68	7,776.32
TOTAL LIABILITIES AND EQUITY		37,862.38	39,566.59

The accompanying notes are an integral part of the financial statements. 1 to 55

As per our report of even date attached.

For NGS & Co. LLP

Chartered Accountants
ICAI Firm Registration Number : 119850W

For R.P.Soni
Partner
Membership No. 104796

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Place : Mumbai
Date : May 08, 2023

For and on behalf of the Board of Directors
Nido Home Finance Limited
(Formerly Known as Edelweiss Housing Finance Limited)

Rajat Avasthi
MD & CEO
DIN: 07969623

Biswamohan Mahapatra
Director
DIN: 06990345

Tushar Kotecha
Chief Financial Officer

Girish Manik
Company Secretary
Membership No. A26391

Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)
Statement of Profit and Loss for the year ended March 31, 2023
(Currency : Indian rupees in millions)

	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
I. Revenue from operations			
Interest income	28	4,163.11	4,453.13
Dividend income		4.12	-
Fee and commission income	29	198.69	580.70
Net gain on fair value changes	30	48.70	86.33
Total Revenue from operations		4,414.62	5,120.16
II. Other income	31	32.23	18.94
III. Total Income		4,446.85	5,139.10
IV. Expenses			
Finance costs	32	2,958.77	3,275.68
Impairment on financial instruments	33	43.62	426.39
Employee benefits expense	34	650.29	663.11
Depreciation, amortisation and impairment	15 &16	38.45	40.16
Other expenses	35	547.65	531.94
Total expenses		4,238.78	4,937.28
V. Profit/(Loss) before tax		208.07	201.82
VI. Tax expenses:			
Current tax	36.1 & 36.2	77.59	1.15
Current tax		71.89	12.89
Short / (Excess) provision for earlier years		5.70	(11.74)
Deferred tax	36.3	(30.15)	62.60
VII. Profit for the year		160.63	138.07
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement gain / (loss) on defined benefit plans	40	3.16	0.12
Less: Income tax relating to items that will not be reclassified to profit or loss	36.3	(0.80)	(0.03)
Other Comprehensive Income / (loss)		2.36	0.09
Total Comprehensive Income		162.99	138.16
Earnings per equity share (In Rs) (Face value of Rs. 10 each):			
(a) Basic	38	2.32	1.99
(b) Diluted		2.32	1.99

The accompanying notes are an integral part of the financial statements. 1 to 55

As per our report of even date attached.

For NGS & Co. LLP

Chartered Accountants
ICAI Firm Registration Number : 119850W

For R.P.Soni
Partner
Membership No. 104796

NGS & CO. LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Place : Mumbai
Date : May 08, 2023

For and on behalf of the Board of Directors
Nido Home Finance Limited
(Formerly Known as Edelweiss Housing Finance Limited)

Rajat Avasthi
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DIN: 07969623

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Director
DIN: 06990345

Tushar Kotecha
Chief Financial Officer

Girish Manik
Company Secretary
Membership No. A26391

Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)
Statement of Cash flows for the year ended March 31, 2023
(Currency : Indian rupees in millions)

		For the year ended March 31, 2023	For the year ended March 31, 2022
A	**Cash flow from operating activities**		
	Profit before tax	208.07	201.82
	Adjustments for		
	Depreciation, amortisation and impairment	38.45	40.16
	Impairment on financial instruments	43.62	426.39
	Interest on lease liabilities	12.32	12.79
	Profit on Lease Modification/Cancellation	(6.67)	-
	Fair Value of Financial Instruments	(11.00)	19.77
	Bad debts written off/recovery	(20.79)	-
	ESOP and SAR cost reimbursement	3.55	4.40
	Loss /(Gain) on sale of Property, plant and equipment	(1.27)	0.45
	Operating cash flow before working capital changes	266.28	705.78
	Add / (Less): Adjustments for working capital changes		
	Decrease/(Increase) in Receivables	16.00	45.24
	Decrease/(Increase) in Stock in trade	-	155.83
	Decrease/(Increase) in Receivables from financing business (net)	651.25	4,569.79
	Decrease/(Increase) in Other financial assets	(553.47)	(886.67)
	Decrease/(Increase) in Investments	(174.96)	(1,036.97)
	Decrease/(Increase) in Other non financial assets	(31.82)	45.61
	Increase / (Decrease) in Trade payables	(40.08)	74.23
	Increase / (Decrease) in Non financial liabilities and provisions	13.51	25.37
	Increase / (Decrease) in Other financial liability	(511.85)	(821.41)
	Cash flow from operations	(365.14)	2,876.80
	Income taxes paid (Net)	(168.49)	(104.18)
	Net cash generated from / (used in) operating activities -A	(533.63)	2,772.62
B	**Cash flow from investing activities**		
	Purchase of Property, plant and equipment and Intangible assets	(42.69)	(4.16)
	Decrease/(Increase) in Capital Work-in-progress and Intangibles under development	(5.93)	(14.06)
	Sale of Property, plant and equipment	2.53	0.75
	Purchase of Investment property	(3.09)	-
	Net cash generated from / (used in) investing activities - B	(49.18)	(17.47)
C	**Cash flow from financing activities**		
	Increase / (Decrease) in Debt securities [1]	118.70	(3,561.85)
	Increase / (Decrease) in Borrowings other than debt securities [1]	(4,452.45)	(8,171.95)
	Securitization liability (including loan assigned under PCG scheme)	3,027.81	2,489.28
	Repayment of lease obligations	(37.43)	(36.88)
	Net cash used in financing activities - C	(1,343.37)	(9,281.40)
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	(1,926.18)	(6,526.24)
	Cash and cash equivalent as at the beginning of the year (refer note 6)	2,929.57	9,455.81
	Cash and cash equivalent as at the end of the year (refer note 6)	1,003.39	2,929.57
	Operational cash flows from interest		
	Interest paid	1,965.90	3,065.05
	Interest received	4,033.13	4,010.12

Notes:

1. Cash receipts and payments for transaction in which the turnover is quick, the amounts are large, and the maturities are short are presented on net basis in accordance with Ind AS-7 Statement of Cash Flows.

2. For disclosure relating to changes in liabilities arising from financing activities, refer note 37

3. Cash flow statement has been prepared under indirect method as set out in Ind AS 7 prescribed under the Companies (Indian Accounting Standards) Rules, 2015 under the Companies Act, 2013.

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached.

For NGS & Co. LLP

Chartered Accountants
ICAI Firm Registration Number . 119850W

For R.P.Soni
Partner
Membership No. 104796

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Place : Mumbai
Date : May 08, 2023

For and on behalf of the Board of Directors
Nido Home Finance Limited
(Formerly Known as Edelweiss Housing Finance Limited)

Rajat Avasthi
MD & CEO
DIN: 07969623

Biswamohan Mahapatra
Director
DIN: 06990345

Tushar Kotecha
Chief Financial Officer

Girish Manik
Company Secretary
Membership No. A26391

Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)
Statement of Changes in Equity for the year ended March 31, 2023
(Currency : Indian rupees in millions)

(a) Equity share capital

	Outstanding as on April 01, 2021	Issued during the year	Outstanding as on March 31, 2022	Issued during the year	Outstanding as on March 31, 2023
Issued, Subscribed and Paid up (Equity shares of Rs.10 each, fully paid-up)	693.50	-	693.50	-	693.50
	693.50	-	693.50	-	693.50

(b) Other Equity

	Securities Premium Account	Deemed capital contribution - Equity shares	Reserve under section 29C of the National Housing Bank Act, 1987	Debenture redemption reserve	Retained earnings	Total
Balance at April 01, 2021	4,075.18	33.46	547.80	341.32	1,936.62	6,934.38
Profit or loss	-	-	-	-	138.07	138.07
Remeasurement gain / (loss) on defined benefit plans	-	-	-	-	0.09	0.09
Total Comprehensive Income for the year	-	-	-	-	138.16	138.16
Transfers to / from retained earnings	-	-	27.62	(85.07)	57.45	-
Reversal of ESOPs charges on cancellation	-	-	-	-	10.28	10.28
Balance at March 31, 2022	4,075.18	33.46	575.42	256.25	2,142.51	7,082.82
Profit or loss	-	-	-	-	160.63	160.63
Remeasurement gain / (loss) on defined benefit plans	-	-	-	-	2.36	2.36
Total Comprehensive Income for the year	-	-	-	-	162.99	162.99
Transfers to / from retained earnings	-	-	32.13	-	(32.13)	-
Reversal of ESOPs charges on cancellation	-	-	-	-	5.37	5.37
Balance at March 31, 2023	4,075.18	33.46	607.55	256.25	2,278.74	7,251.18

As per our report of even date attached.

For NGS & Co. LLP

Chartered Accountants
ICAI Firm Registration Number : 119850W

For R.P.Soni
Partner
Membership No. 104796

NGS & CO. LLP * MUMBAI * CHARTERED ACCOUNTANTS

Place : Mumbai
Date : May 08, 2023

For and on behalf of the Board of Directors
Nido Home Finance Limited
(Formerly Known as Edelweiss Housing Finance Limited)

Rajat Avasthi
MD & CEO
DIN: 07969623

Biswamohan Mahapatra
Director
DIN: 06990345

Tushar Kotecha
Chief Financial Officer

Girish Manik
Company Secretary
Membership No. A26391

1. **Corporate Information:**

Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited ('Nido' or 'the Company') is a public limited company domiciled and incorporated on May 30, 2008 under the provisions of the Companies Act applicable in India. The Company is subsidiary of Edelweiss Rural & Corporate Services Limited. The Company is registered as Housing finance institution (without accepting public deposit) with the National Housing Bank (NHB) under section 29A of the NHB Act, 1987, registration no. is 03.0081.10.

The Company's primary business is providing loan to Retail customers for construction or purchase of residential property, loan against property and loans to real estate developers.

2. **Basis of preparation:**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

These financial statements have been prepared on a historical cost basis, except for certain financial instruments such as, derivative financial instruments, and other financial instruments held for trading, which have been measured at fair value. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest million, except when otherwise indicated.

2.1 Presentation of financial statements:

The Company presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding expected recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in "Note 41-Maturity Analysis of assets and liabilities".

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Company and or its counterparties

2.2 Functional and Presentation Currency

The financial statements are presented in Indian Rupees (`) which is the functional and the presentation currency of the Company and all values are rounded to the nearest Million, except when otherwise indicated.

3. **Significant accounting policies**

3.1 Recognition of Interest income and Dividend income

3.1.1 Effective Interest Rate (EIR):

Under Ind AS 109 interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument or, when appropriate a shorter period to the gross carrying amount of financial instrument.

The EIR is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various

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Nido Home Finance Limited

stages, and other characteristics of the product life cycle including prepayments penalty interest and charges.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income.

3.1.2 Interest Income:

The company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the EIR to the amortised cost (net of expected credit loss) of the financial asset. If the financial assets cure and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Penal interest income on delayed EMI or pre EMI is recognised on receipt basis.

3.1.3 Fee and Commission Income

Fee and commission income include fees other than those that are an integral part of EIR. The Company recognises the fee and commission income in accordance with the terms of the relevant contracts / agreements and basis the probability of consideration collection.

3.1.4 Dividend Income

Dividend income is recognised when the Company's right to receive dividend is established on the reporting date.

3.1.5. Other Income

Other Income represents income earned from activities incidental to the business and is recognised when the right to receive income is established as per the terms of the contract. Other ancillary charges are recognized on realisation.

3.2 Financial Instruments:

3.2.1 Date of recognition:

Financial assets and liabilities except for loans and borrowings are initially recognised on the trade date, i.e. the date when Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans are recognised when funds are transferred to the customers' account. The Company recognises borrowings when funds are available for utilisation to the Company.

3.2.2 Initial measurement of financial instruments:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)

3.2.3 Classification and Measurement categories of financial assets and liabilities:

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost
- Fair value through other comprehensive income [FVOCI)
- Fair value through profit or loss [FVTPL]

The Company measures debt financial assets at amortised cost basis the following conditions:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the financial asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL.

Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The changes in carrying value of financial assets is recognised in profit and loss account.

Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The changes in fair value of financial assets is recognised in Other Comprehensive Income.

Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL. The Company measures all financial assets classified as FVTPL at fair value at each reporting date. The changes in fair value of financial assets is recognised in Profit and loss account.

3.3 Financial Assets and Liabilities:

3.3.1 Financial assets held for trading:

The Company classifies financial assets as held for trading when they have been purchased primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which evidence of a recent pattern of short-term profit is taking. Held-for-trading assets are recorded and measured in the balance sheet at fair value. Changes in fair value are recognised in net gain on fair value changes.

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Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Ltd.) ★

3.3.2 Debt securities and other borrowed funds:

The Company measures debt issued and other borrowed funds at Amortised cost at each reporting date. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR.

3.3.3 Financial Guarantee:

Financial guarantees are contract that requires the Company to make specified payments to reimburse to holder for loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument.

Financial guarantee issued or commitments to provide a loan at below market interest rate are initially measured at fair value and the initial fair value is amortised over the life of the guarantee or the commitment. Subsequently they are measured at higher of this amortised amount and the amount of loss allowance.

3.3.4 Loan Commitments:

Undrawn loan commitments are commitments under which, the Company is required to provide a loan with pre-specified terms to the customer over the duration of the commitment. Un-Cancellable loan commitments are in the scope of the ECL requirements.

3.4 Reclassification of Financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. The Company has not reclassified any of its financial assets or liabilities in current year and previous year.

3.5 Derecognition of financial Instruments:

3.5.1 Derecognition of financial asset

A financial asset (or, where applicable a part of a financial asset or a part of a group of similar financial assets) is derecognised when the rights to receive contractual cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either

- The Company has transferred the rights to receive cash flows from the financial asset or
- It retains the contractual rights to receive the cash flows of the financial asset, but assumed a contractual obligation to pay the cash flows in full without material delay to third party under pass through arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.

- The Company cannot sell or pledge the original asset other than as security to the eventual recipients.

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Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)

The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset; or

- The Company has neither transferred nor retained substantially all the risks and rewards of the has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

The Company also derecognises a financial asset, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new financial asset, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

3.5.2 Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid, including modified contractual cash flow recognised as new financial liability, is recognised statement of profit or loss.

3.6 Impairment of financial assets:

The Company records provisions based on expected credit loss model ("ECL") on all loans, other financial assets not measured at FVTPL undrawn loan commitment and financial guarantee contracts, in this section all referred to as "Financial instrument". Equity instruments are not subject to impairment.

ECL is a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original effective interest rate. As ECL considers the amount and timing of payments, a credit loss arises even if the entity expects to be paid in full but later than when contractually due.

Simplified Approach

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its receivables. The provision matrix is based on its historically observed default rates over the expected life of the receivables. However, if receivables contain a significant financing component, the Company chooses as its accounting policy to measure the loss allowance by applying general approach to measure ECL.

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General Approach

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk (SICR) since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses (12m ECL). The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of an evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The measurement of expected credit losses is a function of the probability of default (PD), loss given default (LGD) (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default (EAD), for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

Company categories its financial assets as follows:

Stage 1 Assets:
Stage 1 assets includes financial instruments that did not have a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month ECL (resulting from default events possible within 12 months from reporting date) are recognised.

Stage 2 Assets:
Stage 2 Assets includes financial instruments that have a significant increase in credit risk since initial recognition For these assets lifetime ECL (resulting from default events possible within 12 months from reporting date) are recognised.

Stage 3 Assets:
Stage 3 Assets are considered credit-impaired the Company recognises the lifetime ECL for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

The expected credit loss on the uncancellable loan commitment is recognised together with the loss allowance for the financial asset.

The Company's product offering includes working capital facilities with a right to Company to cancel and/or reduce the facilities with one day's notice. The Company does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Company's expectations of the customer behaviour, its likelihood of default and the Company's future risk mitigation procedures, which could include reducing or cancelling the facilities.

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3.7 Collateral Valuation:

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit /guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Company's balance sheet. However, the fair value of collateral affects the calculation of ECL. It is generally assessed, at a minimum, at inception and re-assessed on a periodic basis. However, some collateral, for example, securities relating to margin requirements, is assessed on a daily basis.

To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market value are valued using models.

3.8 Collateral Repossessed:

The Company's policy is to determine whether a repossessed asset can be best used for its internal operations or should it sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date , in line with the Company's policy.

In its normal course of business, the Company does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the balance sheet.

3.9 Write-Offs:

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery besides technical write off as per relevant policy.

3.10 Forborne and modified loan:

The Company sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Company considers a loan forborne when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Company would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the Credit Risk Department. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms. It is the Company's policy to monitor forborne loans to help ensure that future payments continue to be likely to occur. Derecognition decisions and classification between Stage 2 and Stage 3 are determined on a case-by-case basis. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset, until it is collected or written off.

3.11 Determination of Fair Value:

The Company measures financial instruments, such as, derivatives at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

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The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

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

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

Level 3 Financial Instruments:
Those that include one or more unobservable input that is significant to the measurement as whole.
For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

Therefore, the Company applies various techniques to estimate the credit risk associated with its financial instruments measured at fair value, which include a portfolio-based approach that estimates the expected net exposure per counterparty over the full lifetime of the individual assets, in order to reflect the credit risk of the individual counterparties for non-collateralised financial instruments.

The Company evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary based on the facts at the end of the reporting period.

3.12 Leases:

Company as a lessee:

The Company has applied Ind AS 116 using the partial retrospective approach.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right of Use Assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short term lease

The Company has elected not to recognise right of use asset and lease liabilities for short term leases of property that has lease term of 12 months or less. The Company recognises lease payment associated with these leases as an expense on a straight line basis over lease term.

Company as lessor:

The Company's accounting policy under Ind AS 116 has not changed from the comparative period. As a lessor the Company classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset and classified as an operating lease if it does not.

3.13 Earnings Per Share:

Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

3.14 Retirement and other employee benefit:

3.14.1 Provident fund and National Pension Scheme:

The Company contributes to a recognised provident fund and national pension scheme which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognised in the statement of profit and loss.

3.14.2 Gratuity:

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted. The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method.

Re-measurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Remeasurement are not reclassified to profit or loss in subsequent periods.

3.14.3 Compensated Absences:

The eligible employees of the Company are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Company recognises the charge in the statement of profit and loss and corresponding liability on such non-vesting accumulated leave entitlement based on a valuation by an independent actuary. The cost of providing annual leave benefits is determined using the projected unit credit method.

3.14.4 Equity-settled share-based payments and Stock Appreciation Rights (SARs):

Equity-settled share-based payments to employees are granted by the ultimate parent Company. These are measured by reference to the fair value of the equity instruments at the grant date. These includes Stock Appreciation Rights (SARs) where the right to receive the difference between the SAR price and the market price of equity shares of the ultimate parent Company on the date of exercise, either by way of cash or issuance of equity shares of the ultimate parent Company, is at the discretion of the ultimate parent Company. These are classified as equity settled share based transaction.

The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the 'ESOP reserve'. In cases where the share options granted vest in instalments over the vesting period, the Group treats each instalment as a separate grant, because each instalment has a different vesting period, and hence the fair value of each instalment differs.

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3.15 Property, Plant and Equipment (PPE):

Property plant and equipment is stated at cost excluding the costs of day–to–day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent costs incurred on an item of property, plant and equipment is recognised in the carrying amount thereof when those costs meet the recognition criteria as mentioned above. Repairs and maintenance are recognised in profit or loss as incurred.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives. Depreciation is provided on a written down value basis from the date the asset is ready for its intended use or put to use whichever is earlier. In respect of assets sold, depreciation is provided upto the date of disposal.

As per the requirement of Schedule II of the Companies Act, 2013, the Company has evaluated the useful lives of the respective fixed assets which are as per the provisions of Part C of the Schedule II for calculating the depreciation. The estimated useful lives of the fixed assets are as follows:

Nature of assets	Estimated useful lives
Furniture and fixtures	10 years
Vehicles	8 years
Office Equipment	5 years
Computers - Servers and networks	6 years
Computers - End user devices, such as desktops, laptops, etc.	3 years

Leasehold improvements are amortised on a straight-line basis over the estimated useful lives of the assets or the period of lease whichever is earlier.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The carrying amount of those components which have been separately recognised as assets is derecognised at the time of replacement thereof. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.16 Intangible Assets:

Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any. Intangibles such as software are amortised over a period of 3 to 5 years based on its estimated useful life.

3.17 Impairment of non-financial assets:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the assets is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

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3.18 Provisions and other contingent liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

3.19 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise of cash at banks and in hand and short-term deposits with an original maturity of three months or less

3.20 Income tax expenses:

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.20.1 Current tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3.20.2 Deferred tax:

Deferred tax is recognised on temporary differences arising between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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3.20.3 Current and Deferred tax for the year:

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3.21 Investment Properties

Properties, including those under construction, held to earn rentals and/or capital appreciation are classified as investment property and are measured and reported at cost, including transaction costs. Depreciation is recognised using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013 or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property.

The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the Statement of Profit and Loss in the same period.

4. Significant accounting judgements, estimates and assumptions:

The preparation of these financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the standalone financial statements are included are given below:

4.1 Business model assessment:

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

4.2 Significant increase in credit risk:

As explained in note 46.1, ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. Ind AS 109 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information. Refer to note 46.1 for more details.

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4.3 Key sources of estimation uncertainty:

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

4.4 Fair value of financial instruments:

The Fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions based on market conditions existing at the end of each reporting period. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk, funding value adjustments, correlation and volatility.

4.5 Effective Interest Rate (EIR) Method:

The Company's EIR methodology, as explained in Note 3.1.1, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle including prepayments and penalty interest and charges.

This estimation, by nature requires an element of judgement regarding the expected behaviour and life cycle of the instrument, as well expected changes India's base rate and other fee income, expenses that are integral part of the instrument

4.6 Impairment of Financial assets:

The impairment provisions for the financial assets except assets valued at fair value through Profit & Loss account (FVTPL) are based on assumptions about estimation of the amount and timing of future cash flows, collateral values, assessment of a significant increase in credit risk, probability of default (PD) and Loss given default (LGD) rates. The Company uses judgements in making these assumptions and selecting the inputs for impairment calculations based on its past history, existing market conditions and forward looking estimates at the end of each period. These estimates are driven by number of factors, change in which can result in different level of allowance.

The Company's expected credit loss (ECL) calculations are output of complex model with number of underlying assumptions regarding choice of variable inputs and their interdependencies Elements of the ECL models that are considered accounting judgements and estimates include:

- The Company's internal credit grading model, which assigns PDs to the individual grades based on ageing.
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment.
- The segmentation of financial assets when their ECL is assessed on a collective basis.
- Development of ECL models, including the various formulas and the choice of inputs Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs.
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

4.7 Impairment of Non-Financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exist, the Company estimates the asset's recoverable amount. An asset's recoverable amount is higher of an asset's fair value less cost of disposal and its value in use. Where the carrying amount exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

4.8 Provisions and contingent liabilities:

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of its business.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

4.9 Provisions for Income Taxes:
Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectation of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

4.10 Leases:

Significant judgements are involved in evaluating if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The Company also uses significant judgement in assessing the applicable discount rate which is an equivalent to incremental borrowing rate estimated on best effort basis.

5. Standards issued but not yet effective:

The Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective from 01 April 2023.

(i) Amendment to Ind AS 8 - Definition of Accounting estimates
The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.
The amendments are effective for annual reporting periods beginning on or after 1 April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The amendments are not expected to have a material impact on the Company's financial statements.

(ii) Amendment to Ind AS 1- Disclosure of Accounting Policies
The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with

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requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

Consequential amendments have been made in Ind AS 107.

The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

(iii) Amendment to Ind AS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction. The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.
The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

Consequential amendments have been made in Ind AS 101.

The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1 April 2023. The Company is currently assessing the impact of the amendments.

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MUMBAI
CHARTERED ACCOUNTANTS

Nido Home Finance Limited
(formerly known as Edelweiss Housing Finance Ltd.)

(Currency : Indian rupees in millions)

		As at March 31, 2023	As at March 31, 2022
6	**Cash and cash equivalents**		
	Cash on hand	-	0.01
	Balance with banks		
	- in current accounts	958.06	2,026.12
	- in fixed deposits with original maturity less than three	45.33	903.44
		1,003.39	2,929.57
7	**Bank balances other than cash and cash equivalents**		
	Fixed deposits with original maturity less than 3 months	-	1,112.07
	Fixed deposits with original maturity more than three months and less than 12 months	1,713.11	730.61
	Fixed deposits with original maturity more than 12 months	280.14	230.10
		1,993.25	2,072.78
7.A	**Encumbrances on fixed deposits with bank held by the Company**		
	Given as credit enhancements towards securitisation/ assignment under partial credit guarantee scheme	1,180.12	910.76
	Given as collateral against the Bank Overdrafts (refer note 39a)	-	1,117.00

		March 31, 2023	March 31, 2022
8	**Trade receivables**		
	Receivables considered good - non-related party	28.74	16.44
	Receivables considered good - related party - (Refer note 43)	11.71	42.73
	Receivables which have significant increase in credit risk	6.52	3.80
		46.97	62.97
	Less : Allowance for expected credit losses	(7.08)	(6.19)
		39.89	56.78
		39.89	56.78

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8(a) Trade Receivables Ageing

As at March 31, 2023

Particulars	Outstanding for following periods from due date of payment #					Total
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	40.45	-	-	-	-	40.45
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	6.52	-	-	6.52
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Receivable (A)	40.45	-	6.52	-	-	46.97
(i) Undisputed Trade receivables – considered good	0.56	-	-	-	-	0.56
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	6.52	-	-	6.52
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
ECL Provision on receivables (B)	0.56	-	6.52	-	-	7.08
Receivables net of provision = (A)-(B)	39.89	-	-	-	-	39.89

\# Unbilled amount is due Rs Nil.

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment #					Total
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	59.17	-	-	-	-	59.17
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	3.76	0.04	-	3.80
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Receivable (A)	59.17	-	3.76	0.04	0.00	62.97
(i) Undisputed Trade receivables – considered good	2.39	-	-	-	-	2.39
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	3.76	0.04	-	3.80
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit inpaired	-	-	-	-	-	-
ECL Provision on receivables (B)	2.39	-	3.76	0.04	-	6.19
Receivables net of provision = (A)-(B)	56.78	-	-	-	-	56.78

\# Unbilled amount is Rs 0.01 Million

Reconciliation of impairment allowance on trade receivables:	For the year ended March 31, 2023	For the year ended March 31, 2022
Impairment allowance measured as per simplified approach		
Impairment allowance - Opening Balance	(6.19)	(4.19)
(Add)/less: change due to receivable balance / bucketing (net)	(0.89)	(2.00)
Impairment allowance - Closing Balance	(7.08)	(6.19)

Note: For disclosure relating to trade receivable ageing/ provision matrix, refer note 48

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		As at March 31, 2023	As at March 31, 2022
9	**A. Term Loans**		
	(I) Loans (at amortised cost)		
	(i) Housing Loans	21,053.04	19,994.85
	(ii) Non Housing Loans	9,213.13	11,453.87
	Total (I)	30,266.17	31,448.72
	(II) Loans (At Fair Value Through Profit and Loss)		
	(i) Housing Loans	-	-
	(ii) Non Housing Loans	425.88	-
	Total (II)	425.88	-
	Total (I+II) - Gross	30,692.05	31,448.72
	Less: Impairment loss allowance	(421.62)	(484.31)
	Total (A) - Net	30,270.43	30964.41
	B. Term Loans		
	(i) Secured by tangible assets (Refer note 46.1.2)	30,067.12	31,432.08
	(ii) Unsecured	624.93	16.64
	Total (B) - Gross	30,692.05	31,448.72
	Less: Impairment loss allowance	(421.62)	(484.31)
	Total (B) - Net	30,270.43	30,964.41
	C. Term Loans		
	C.I Loans in India		
	(i) Public Sectors	-	-
	(ii) Others	30,692.05	31,448.72
	Total (C.I) - Gross	30,692.05	31,448.72
	Less: Impairment loss allowance	(421.62)	(484.31)
	Total (C.I) - Net	30,270.43	30,964.41
	C.II Loans outside India	-	-
	Less: Impairment loss allowance	-	-
	Total (C.II) - Net	-	-
	Total: (C I and C II)	30,270.43	30,964.41

Notes:

(i) The non-housing loan referred in note 10(A)(i) includes an amount of Rs. 612.32 million (previous year includes Rs. 657.66 million) being mortgage credit insurance premium payable by the obligor on housing loan.

(ii) There were no loans given against the collateral of gold jewellery and hence the percentage of such loans to the total outstanding asset is Nil (previous year Nil).

(iii) Loans which are repayable on demand or without specifying any terms or period of repayment are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are:

	As on March 31, 2023	
Type of Borrower	**Loan outstanding**	**% to the total outstanding Loans**
Promoter	-	0.00%
Directors	-	0.00%
KMP's	-	0.00%
Related Parties	-	0.00%
Total	-	0.00%

	As on March 31, 2022	
Type of Borrower	Loan outstanding	% to the total outstanding loans
Promoter	-	0.00%
Directors	-	0.00%
KMP's	-	0.00%
Related Parties	-	0.00%
Total	-	0.00%

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9.1. Credit Quality of Assets

The table below shows the credit quality and the maximum exposure to credit risk based on year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 46.1 and policies on ECL allowances are set out in Note 3.6.

(a) Gross carrying amount of loan assets allocated to Stage 1, Stage 2 and Stage 3

	As at March 31, 2023				As at March 31, 2022			
Particulars	**Stage I**	**Stage II**	**Stage III**	**Total**	Stage I	Stage II	Stage III	Total
Loans (at amortised cost)								
Performing								
High grade	26,824.38	-	-	26,824.38	27,937.60	-	-	27,937.60
Standard grade	-	3,280.14	-	3,280.14	-	2,883.82	-	2,883.82
Non-performing								
Impaired	-	-	587.53	587.53	-	-	627.30	627.30
Total	26,824.38	3,280.14	587.53	30,692.05	27,937.60	2,883.82	627.30	31,448.72

(i) The Company has taken necessary steps to recover the amount of all overdue cases. All the recovery process are as per the terms mentioned in the agreement and are in compliant with RBI and NHB guidelines
(ii) There are 215 loan accounts classified as stage 3 (including cases classified as non performing asset (NPA) as per the RBI Guidelines) having overdue amount of Rs. 80.03 million as at March 31, 2023.

(b) Reconciliation of changes in gross carrying amount and the corresponding ECL in relation to loan assets are, as follows:

For the year ended March 31, 2023	Non-credit impaired				Credit impaired		Total	
	Stage I		Stage II		Stage III			
Particulars	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL
Opening Balance	27,937.60	89.22	2,883.82	226.15	627.30	166.10	31,448.72	481.47
Transfers:								
Transfers to 12 Month ECL (Stage 1)	730.07	54.49	(561.24)	(28.17)	(168.83)	(26.31)	-	-
Transfers to lifetime ECL (Stage 2)	(820.79)	(5.05)	906.13	18.29	(85.35)	(13.24)	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	(319.33)	(1.60)	(388.07)	(30.11)	707.40	31.71	-	-
Net remeasurement of ECL arising from transfer of stage	-	(50.39)	-	30.65	-	52.64	-	32.90
Net new and further lending/ (repayments)	(702.19)	2.97	444.61	(23.36)	(59.10)	(35.46)	(316.68)	(55.85)
Amounts written off	(0.98)	(0.08)	(5.11)	(3.07)	(23.81)	(8.80)	(29.90)	(11.96)
Loans sold to assets reconstruction company	-	-	-	-	(410.09)	(28.56)	(410.09)	(28.56)
Closing balance	26,824.38	89.56	3,280.14	190.37	587.53	138.07	30,692.05	418.00
For the year ended March 31, 2022								
Opening Balance	30,886.26	82.28	4,291.50	279.42	1,275.82	130.36	36,453.58	492.06
Transfers:								
Transfers to 12 Month ECL (Stage 1)	1,435.00	91.64	(1,271.30)	(75.13)	(163.70)	(16.51)	-	-
Transfers to lifetime ECL (Stage 2)	(1,003.36)	(7.46)	1,050.03	12.15	(46.67)	(4.69)	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	(515.83)	(3.46)	(981.44)	(59.68)	1,497.27	63.13	-	(0.01)
Net remeasurement of ECL arising from transfer of stage	-	(86.61)	-	50.16	-	60.52	-	24.07
Net new and further lending/ (repayments)	(2,856.38)	13.33	(204.45)	19.57	(16.19)	68.14	(3,077.02)	101.04
Amounts written off	(8.09)	(0.50)	(0.52)	(0.34)	(79.32)	(12.83)	(87.93)	(13.67)
Loans sold to assets reconstruction company	-	-	-	-	(1,839.91)	(122.02)	(1,839.91)	(122.02)
Closing balance	27,937.60	89.22	2,883.82	226.15	627.30	166.10	31,448.72	481.47

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9.2. Credit Quality of exposure (Loan Commitment)

(a) Gross carrying amount of loan commitment allocated to Stage 1, Stage 2 and Stage 3

	As at March 31, 2023				As at March 31, 2022			
Particulars	**Stage I**	**Stage II**	**Stage III**	**Total**	**Stage I**	**Stage II**	**Stage III**	**Total**
Loans (at amortised cost)								
Performing								
High grade	1,364.56	-	-	1,364.56	859.47	-	-	859.47
Standard grade	-	32.25	-	32.25	-	8.50	-	8.50
Non-performing	-	-	-	-	-	-	-	-
Impaired	-	-	3.11	3.11	-	-	3.94	3.94
Total	1,364.56	32.25	3.11	1,399.92	859.47	8.50	3.94	871.91

(b) Reconciliation of changes in gross carrying amount and the corresponding ECL in relation to loan commitment are, as follows:

For the year ended March 31, 2023

	Non-credit impaired				Credit impaired		Total	
	Stage I		Stage II		Stage III			
Particulars	**Gross carrying amount**	**Allowance for ECL**	**Gross carrying amount**	**Allowance for ECL**	**Gross carrying amount**	**Allowance for ECL**	**Gross carrying amount**	**Allowance for ECL**
As at April 01, 2022	859.47	0.71	8.50	0.45	3.94	1.68	871.91	2.84
Transfers:								
Transfers to 12 Month ECL (Stage 1)	5.86	0.08	(5.86)	(0.08)	-	(0.00)	-	(0.00)
Transfers to lifetime ECL (Stage 2)	(24.85)	(0.48)	26.18	0.55	(1.33)	(0.07)	(0.00)	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	(2.62)	(0.44)	(0.49)	(0.10)	3.11	0.54	-	-
Net remeasurement of ECL arising from transfer of stage	-	-	-	-	-	-	-	-
Net new sanctions and (disbursements)	526.69	2.34	3.93	0.04	(2.61)	(1.61)	528.01	0.78
Closing balance	1,364.56	2.21	32.25	0.87	3.11	0.54	1,399.92	3.62

For the year ended March 31, 2022

As at April 01, 2021	1,257.25	0.97	10.02	0.58	13.99	1.40	1,281.26	2.95
Transfers:								
Transfers to 12 Month ECL (Stage 1)	3.71	0.29	(1.83)	(0.11)	(1.88)	(0.18)	-	-
Transfers to lifetime ECL (Stage 2)	(29.03)	(0.03)	29.03	0.03	-	-	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	(18.61)	(0.01)	(0.29)	-	18.90	0.01	-	-
Net remeasurement of ECL arising from transfer of stage	-	-	-	-	-	-	-	-
Net new sanctions and (disbursements)	(353.85)	(0.51)	(28.43)	(0.05)	(27.07)	0.45	(409.35)	(0.11)
Closing balance	859.47	0.71	8.50	0.45	3.94	1.68	871.91	2.84

(Currency : Indian rupees in millions)

10 Investments

As at March 31, 2023	At Amortised cost (1)	At fair value			Subtotal 5 = (2+3+4)	At cost (6)	Total (7)= (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through Profit or loss (4)			
Security receipts (refer note below)	-	-	2,174.31	-	2,174.31	-	2,174.31
Investment in Pass Through Certificate (PTC)	502.37	-	-		-	-	502.37
Investment in Mutual Fund	-	-	127.34	-	127.34	-	127.34
Total - Gross (A)	502.37	-	2,301.65	-	2,301.65	-	2,804.02
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	502.37	-	2,301.65	-	2,301.65	-	2,804.02
Total (B)	502.37	-	2,301.65	-	2,301.65	-	2,804.02
Less: Allowance for impairment (net) (C)	-	-	-	-	-	-	-
Total Net (A-C)	502.37	-	2,301.65	-	2,301.65	-	2,804.02

As at March 31, 2022	At Amortised cost (1)	At fair value			Subtotal 5 = (2+3+4)	At cost (6)	Total (7)= (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through Profit or loss (4)			
Security receipts (refer note below)	-	-	2,618.06	-	2,618.06	-	2,618.06
Total - Gross (A)	-	-	2,618.06	-	2,618.06	-	2,618.06
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	-	-	2,618.06	-	2,618.06	-	2,618.06
Total (B)	-	-	2,618.06	-	2,618.06	-	2,618.06
Less: Allowance for impairment net (C)	-	-	-	-	-	-	-
Total Net (A-C)	-	-	2,618.06	-	2,618.06	-	2,618.06

Note:

1 During the year ended March 31, 2023, the Company sold financial assets amounting to Rs. 335.45 million (Previous year Rs 1,925.70 million) (net of losses) to various asset reconstructions company trusts ('ARC Trusts') and acquired security receipts (SR) amounting to Rs. 285.13 million (previous year Rs 1636.93 million) respectively from these ARC Trusts. Ind AS 109 – 'Financial Instruments', prescribed under section 133 of the Companies Act, 2013, requires substantially all risks and rewards to be transferred for the purpose of de-recognition of such financial assets from the Company's financial statements. EFSL, the holding company had undertaken substantially all risks and rewards in respect of such financial assets. As a result, these financial assets were derecognised in Company's financial statements.

10.1 Investments

	As at March 31, 2023			As at March 31, 2022		
	Face value	Quantity	Amount	Face value	Quantity	Amount
Security Receipts						
EARC Trust SC 401	814.19	5,89,050	470.74	814.37	9,81,750	796.80
EARC Trust SC 418	768.39	2,73,190	209.92	881.99	2,73,190	240.95
EARC Trust SC 447	874.27	5,66,270	495.07	977.12	5,66,270	553.31
EARC Trust SC 451	770.32	2,94,440	226.81	957.87	2,94,440	282.02
EARC Trust SC 459	811.43	1,37,100	111.25	1,000.00	1,37,100	137.10
Omkara PS33/2020-21 Trust	1,000.00	5,39,478	557.59	1,000.00	5,85,378	607.88
CFMARC Trust - 112	1,000.00	1,02,900	102.93			
Pass Through Certificates (PTC)						
RF Trust -3	5,02,400.00	1,000	502.37	-	-	-
Mutual Fund						
Aditya Birla Sun Life Liquid Fund	100.23	12,70,504	127.34	-	-	-
Total			2,804.02			2,618.06

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		As at March 31, 2023	As at March 31, 2022
11	**Other financial assets**		
	(unsecured, considered good)		
	Security Deposits	52.65	21.67
	Liquid Collateral with trust for Securitisation transactions	715.94	294.98
	Advances to others	439.90	255.17
		1,208.49	571.82
12	**Current tax assets (net)**		
	Advance income taxes	213.55	113.67
	(net of provision for tax Rs. 319.23 million, previous year Rs. 575.26 million)		
		213.55	113.67
13	**Deferred tax assets (net)**		
	Deferred tax assets		
	Loans		
	Provision for Expected credit loss	107.99	122.77
	Effective Interest Rate on financials assets	6.91	6.65
	Property, plant and equipment and intangibles		
	Difference between book and tax WDV (Net) (including intangibles)	10.33	11.48
	Employee benefit obligations		
	Provision for compensated absences	1.06	2.16
	Disallowances under section 43B of the Income Tax Act, 1961	8.54	8.86
	Loss on sale of stressed assets to ARC	11.30	-
	Lease liability	33.50	35.07
		179.63	186.99
	Deferred tax liabilities		
	Investments and other financial instruments		
	Unamortised excess interest spread on loan assignment	77.86	113.39
	Interest Receivable on Stage 3 (On transition to Ind AS)	-	1.35
	Borrowings		
	Effective interest rate on financial liabilities	7.36	9.92
	Right-of-use Asset (ROU)	27.88	28.14
	Special Reserve u/s 36(1) (viii)	106.66	101.02
	Gain / (Loss) on Fair value of Investments (Net)	2.33	4.98
		222.09	258.80
		(42.46)	(71.81)

Note: For disclosure relating to movement of deferred tax assets/ liabilities, refer note 36.3

14 Investment Property

	As at March 31, 2023	As at March 31, 2022
Real Estate		
Gross Carrying amount		
Opening Gross carrying amount	-	-
Additions	23.88	-
Disposal	-	-
Closing gross carrying amount (a)	23.88	-
Accumlated Depreciation/Impairment		
Opening Accumlated depreciation/Impairment	-	-
Depreciation/Impairment charge	-	-
Depreciation on sale/Impairment reversal	-	-
Closing accumulated depreciation/Impairment (b)	-	-
Net Carrying value of Investment Property (a)-(b)	23.88	-

14.1 The Company has entered into debt assets swap,wherein the net carrying amount of the investment property taken over stood at Rs 23.88 millions as at March 31, 2023.(Previous Year Rs Nil). The property taken over by the Company is a residential property located in key Metro city. The property is being held for capital appreciation,which the Company will dispose off at an appropriate time in accordance with the applicable regulations.

14.2 Fair Value

Particulars	As at March 31, 2023	As at March 31, 2022
Fair Value of Investment Property	23.88	

(Currency : Indian rupees in millions)

15 Property, Plant and Equipment

Description of Assets	Gross Block				Accumulated Depreciation, amortisation and Impairment				Net Block
	As at April 1, 2022	Additions during the year	Disposals during the year	As at March 31, 2023	As at April 1, 2022	Charge for the year	Disposals during the year	As at March 31, 2023	As at March 31, 2023
Land*	1.21	-	-	1.21	-	-	-	-	1.21
Leasehold improvements	18.05	2.12	0.05	20.12	12.97	3.25	0.05	16.17	3.95
Furniture and Fixtures	8.43	1.15	0.83	8.75	4.59	1.11	0.54	5.16	3.59
Office equipment	10.05	1.61	0.58	11.08	8.14	1.04	0.49	8.69	2.39
Computers	43.29	0.55	20.69	23.15	38.86	1.24	19.77	20.33	2.82
Right-of-use Asset (ROU) (refer note 44)	206.76	33.34	8.10	232.00	94.91	29.30	0.39	123.82	108.18
Total	287.79	38.77	30.25	296.31	159.47	35.94	21.24	174.17	122.14

*Charged against secured redeemable non-convertible debentures

Property, Plant and Equipment (Previous Year)

Description of Assets	Gross Block				Accumulated Depreciation, amortisation and Impairment				Net Block
	As at April 1, 2021	Additions during the year	Disposals during the year	As at March 31, 2022	As at April 1, 2021	Charge for the year	Disposals during the year	As at March 31, 2022	As at March 31, 2022
Land*	1.21	-	-	1.21	-	-	-	-	1.21
Leasehold improvements	18.08	2.09	2.12	18.05	10.70	4.26	1.99	12.97	5.08
Furniture and Fixtures	8.65	0.93	1.15	8.43	4.35	1.16	0.92	4.59	3.84
Vehicles	0.32	-	0.32	-	0.23	-	0.23	-	-
Office equipment	11.01	0.47	1.43	10.05	8.15	1.27	1.28	8.14	1.91
Computers	58.85	0.28	15.84	43.29	51.50	2.60	15.24	38.86	4.43
Right-of-use Asset (ROU) (refer note 44)	161.42	51.58	6.24	206.76	66.33	29.51	0.93	94.91	111.85
Total	259.54	55.35	27.10	287.79	141.26	38.80	20.59	159.47	128.32

*Charged against secured redeemable non-convertible debentures

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(Currency : Indian rupees in millions)

16 Other Intangible Assets

Description of Assets	Gross Block				Accumulated Amortisation and Impairment				Net Block
	As at April 1, 2022	Additions during the year	Disposals during the year	As at March 31, 2023	As at April 1, 2022	Charge for the year	Disposals during the year	As at March 31, 2023	As at March 31, 2023
Other Intangible Assets									
Software	**20.06**	**46.21**	**-**	**66.27**	**14.95**	**2.51**	**-**	**17.46**	**48.81**
Total	**20.06**	**46.21**	**-**	**66.27**	**14.95**	**2.51**	**-**	**17.46**	**48.81**

Other Intangible Assets (Previous Year)

Description of Assets	Gross Block				Accumulated Amortisation and Impairment				Net Block
	As at April 1, 2021	Additions during the year	Disposals during the year	As at March 31, 2022	As at April 1, 2021	Charge for the year	Disposals during the year	As at March 31, 2022	As at March 31, 2022
Other Intangible Assets									
Software	15.95	4.20	0.09	20.06	13.68	1.36	0.09	14.95	5.11
Total	15.95	4.20	0.09	20.06	13.68	1.36	0.09	14.95	5.11

16 (a) Intangible Assets Under Development

Intangible Assets Under Development Ageing as at March 31, 2023

Intangible Assets Under Development	**Amount in Intangible Assets Under Development for a period of**				**Total**
	Less than 1 year	**1-2 Years**	**2-3 years**	**More than 3 years**	
Project in progress	13.99	-	-	-	13.99
Total	13.99	-	-	-	13.99

Intangible Assets Under Development Ageing as at March 31, 2022

Intangible Assets Under Development	Amount in Intangible Assets Under Development for a period of				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Project in progress	13.13	4.22	-	-	17.35
Total	13.13	4.22	-	-	17.35

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		As at March 31, 2023	As at March 31, 2022
17	**Other non-financial assets**		
	Input tax credit (Goods and Services Tax)	53.36	19.53
	Prepaid expenses	26.83	21.40
	Advance to vendors	39.07	44.91
	Advances to employees	1.28	2.88
		120.54	88.72
18	**Trade Payables**		
	Trade payables to non-related parties	85.66	89.93
	Trade payables to related parties - (Refer note 43)	20.77	56.58
		106.43	146.51

18.1. The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME Act) has been determined to the extent such parties have been identified on the basis of Information available with the Company. The amount of principal and interest outstanding during the year is given below:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) The principal amount remaining unpaid to any supplier as at the end of each accounting year	8.17	5.14
(b) The interest due thereon remaining unpaid to any supplier as at the end of each accounting year	0.00	0.05
(c) The amount of interest due and payable for the period of delay in making payment (which have been but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(e)The amount of interest accrued and remaining unpaid at the year end	-	-
(f)The amount of further interest remaining due and payable even in the succeeding years, until such date the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-

18.2. Trade Payable Ageing

Particulars	Outstanding from March 31, 2023 #				
	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	Total
(i) MSME	8.17	-	-	-	8.17
(ii) Others	92.71	2.55	0.74	2.26	98.26
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	100.88	2.55	0.74	2.26	106.43

Unbilled amount is Rs 36.25 million

Particulars	Outstanding from March 31, 2022 #				
	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	Total
(i) MSME	5.19	-	-	-	5.19
(ii) Others	138.10	0.81	1.76	0.65	141.32
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	143.29	0.81	1.76	0.65	146.51

Unbilled amount is Rs 80.25 million.

19	Debt securities (In India)		
	(At amortised cost)		
	Non-convertible redeemable debentures (Secured)		
	Privately Placed Non-convertible debentures	1,768.91	4,194.21
	Publicly Placed Non-convertible debentures	6,229.88	3,741.71
		7,998.79	7,935.92

Note: For disclosure relating to repayment and other terms, refer note 50

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	As at March 31, 2023	As at March 31, 2022
20 Borrowings other than debt securities (In India)		
(At amortised cost)		
Term loans (secured)		
- From Banks	9,049.91	11,897.48
- From National Housing Bank	917.05	1,324.40
	9,966.96	13,221.88
Note: For disclosure relating to repayment and other terms, refer note 49		
Bank overdraft (secured)	-	61.44
[Secured by charge on receivables from financing business] Bank overdraft is in nature of Committed Cash Credit lines repayable on demand. (Interest rate range, March-23: 8.50% - 10.50%, March-22: 8.50% - 10.25%)		
Working capital demand loan (WCDL)	-	1,200.00
[Secured by charge on receivables from financing business] WCDL is in nature of short term loan. (Interest rate range, March-23: 8% - 9.70%, March-22: 7.75% - 9.70%)		
Loan from related parties (Unsecured)	-	2.41
(Interest rate payable Nil (previous year 11.46% - 14.30%)		
	9,966.96	14,485.73

Notes:-

(i) Company has not declared wilful defaulter by any bank or financial Institution or other lender.

(ii) All the quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

	As at March 31, 2023	As at March 31, 2022
21 Subordinated liabilities (In India)		
(At amortised cost)		
Non-convertible subordinated debentures (Unsecured)	508.63	508.63
	508.63	508.63
Note: For disclosure relating to repayment and other terms, refer note 51		
22 Other financial liabilities		
Securitisation liability (including loan assigned under PCG* scheme)	10,764.29	7,769.69
Investor payable on account of assigned loans	52.83	342.99
Other payables	174.03	159.75
Book overdraft	-	44.18
Payable to employees	58.62	93.55
Lease liabilities (Refer note 44)	133.10	139.32
	11,182.87	8,549.48

* Partial Credit Guarantee Scheme

(Currency : Indian rupees in millions)

		As at March 31, 2023	As at March 31, 2022
23	**Current tax liabilities (net)**		
	Provision for taxation (net of advance tax Rs. 851.04 million, previous year Rs. 619.93 million)	13.90	5.68
		13.90	5.68
24	**Provisions**		
	Provision for employee benefits (Refer note 40)		
	Gratuity	33.95	35.19
	Compensated leave absences	4.21	8.57
	Provision for expenses	5.69	0.22
		43.85	43.98
25	**Other non-financial liabilities**		
	Revenue received in advance	1.06	0.66
	Payable to others	26.71	17.65
	Statutory dues payable	26.04	24.22
		53.81	42.53

(Currency : Indian rupees in millions)

		As at March 31, 2023	As at March 31, 2022
26	**Equity share capital**		
	Authorised :		
	7,50,00,000 (Previous year: 7,50,00,000) equity shares of Rs.10 each	750.00	750.00
		750.00	750.00
	Issued, Subscribed and Paid up:		
	6,93,50,000 (Previous year: 6,93,50,000) Equity shares of Rs. 10, fully paid-up	693.50	693.50
		693.50	693.50

(a) ***Movement in share capital :***

	As at March 31, 2023		As at March 31, 2022	
	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	6,93,50,000	693.50	6,93,50,000	693.50
Shares issued during the year	-	-	-	-
Outstanding at the end of the year	6,93,50,000	693.50	6,93,50,000	693.50

(b) ***Terms/rights attached to equity shares :***

The Company has only one class of equity shares having a par value of Rs. 10. Each holder of equity shares is entitled to one vote. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.

(c) **Shares held by holding/ultimate holding company and/or their subsidiaries**

	As at March 31, 2023		As at March 31, 2022	
	No of shares	%	No of shares	%
Ultimate Holding / Holding company				
Edelweiss Financial Services Limited (EFSL), the ultimate holding company*	34,69,775	5.00%	34,69,775	5.00%
Edelweiss Rural & Corporate Services Limited, the holding company	3,83,00,000	55.23%	3,83,00,000	55.23%
Fellow subsidiaries				
Edel Finance Company Limited	2,75,80,225	39.77%	2,75,80,225	39.77%
	6,93,50,000	100.00%	6,93,50,000	100.00%

*Including six equity shares held by nominees of EFSL.

(d) **There are no shares reserved for issue under options and contracts / commitments for the sale of shares/ disinvestment.**

(e) **Shares held by promoters at the end of the financial year March 31, 2023**

	As at March 31, 2023		
Promoter Name	**No. of Shares**	**% of total shares**	**%change during the year**
Ultimate Holding / Holding company			
Edelweiss Financial Services Limited, the ultimate holding company*	34,69,775	5.00%	No change
Edelweiss Rural & Corporate Services Limited, the holding company	3,83,00,000	55.23%	No change
Fellow subsidiaries			
Edel Finance Company Limited	2,75,80,225	39.77%	No change
Total	6,93,50,000	100.00%	

*Including six equity shares held by nominees of EFSL.

Shares held by promoters at the end of the financial year March 31, 2022

	As at March 31, 2022		
Promoter Name	No. of Shares	% of total shares	%change during the year
Ultimate Holding / Holding company			
Edelweiss Financial Services Limited, the ultimate holding company	34,69,775	5.00%	-25.35%
Edelweiss Rural & Corporate Services Limited, the holding company	3,83,00,000	55.23%	No change
Fellow subsidiaries			
Edel Finance Company Limited	2,75,80,225	39.77%	25.35%
Total	6,93,50,000	100.00%	

(f) No bonus shares have been issued b the Company during five years immediately preceding the Balance Sheet date.
(g) No shares have been bought back by the Company during the five years immediately preceding the current year.
(h) There are no securities that are convertible into Equity Shares.

(Currency : Indian rupees in millions)

27 Other Equity	As at March 31, 2023	As at March 31, 2022
Securities Premium	4,075.18	4,075.18
Statutory Reserve	607.55	575.42
Debenture Redemption Reserve	256.25	256.25
Deemed capital contribution - Equity	33.46	33.46
Retained Earnings	2,278.74	2,142.51
	7,251.18	7,082.82

Note: For movement in Other Equity, refer 'Statement of changes in Equity'

27.1 Nature and purpose of Reserves

(a) Securities Premium

Securities premium is used to record the premium on issue of shares. Balance in Securities premium can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

(b) Reserve under section 29C of the National Housing Bank Act, 1987

Reserve created under section 29C of National Housing Bank Act, 1987 a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

(c) Debenture Redemption Reserve

The Companies Act 2013 requires companies that issue debentures to create a debenture redemption reserve from annual profits until such debentures are redeemed. Company being Housing Finance Company (HFC) has to maintain Debenture Redemption reserve upto 25% of the value of debentures issued through public issue. The amounts credited to the debenture redemption reserve may not be utilised except to redeem debentures. On redemption of debentures, the amount may be transferred from debenture redemption reserve to retained earnings. However, as per the amendment in the Companies Act 2013, debenture redemption reserve is not required for debentures issued by Non-Banking Finance Companies (including HFC) regulated by Reserve Bank of India for both public as well as privately placed debentures.

(d) Deemed capital contribution - Equity

This reserve relates to Share options granted to eligible employees of the Company by the parent company under its employee share option plan.

(e) Retained Earnings

Retained earnings comprises of the Company's undistributed earnings after taxes.

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Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)

Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)
Notes to the financial statements for the year ended March 31, 2023 (Continued)
(Currency : Indian rupees in millions)

		For the year ended March 31, 2023	For the year ended March 31, 2022
28	**Interest Income (at amortised cost)**		
	Interest on Loans	3,868.19	4,030.38
	Interest income from securities held for trading/Investment	0.04	13.21
	Interest on term deposits with bank	95.30	108.24
	Other interest income	28.75	25.97
	Interest income -Pass throgh Certificates	57.53	-
	Income on direct assignment	113.30	275.33
		4,163.11	4,453.13
29	**Fee and commission income**		
	Fee and commission income	198.69	580.70
		198.69	580.70
30	**Net gain on fair value changes**		
(a)	**On trading portfolio**		
	Gain on buy back of debt securities (amortised cost)	-	6.30
	Profit on sale of mutual fund units (FVTPL)	59.60	19.14
	Profit on sale of equity shares (FVTPL)	-	49.66
	Profit/(Loss) on sale of debt instruments (FVTPL)	0.10	(8.54)
(b)	**Investments**		
	Fair Value Gain / (Loss) on Mutual Fund (FVTPL)	(0.09)	-
	Fair Value Gain / (Loss) on Security Receipts (FVTPL)	(10.52)	19.77
	Others		
	Fair Value Gain / (Loss) on Loans (FVTPL)	(0.39)	-
		48.70	86.33
31	**Other income**		
	Other non operating income	32.23	18.94
		32.23	18.94

(Currency : Indian rupees in millions)

		For the year ended March 31, 2023	For the year ended March 31, 2022
32	**Finance costs (at amortised cost)**		
	Interest on borrowings	1,111.92	1,679.51
	Interest on Securitisation liabilities (Including loan assigned under PCG scheme	932.13	436.88
	Interest on debt securities	833.72	1,065.51
	Interest on subordinated liabilities	56.25	56.27
	Other interest expense (including bank charges)	12.43	24.72
	Interest on lease liabilities	12.32	12.79
		2,958.77	3,275.68
33	**Impairment on financial instruments**		
	Loss on sale of loan assets sold to assets reconstruction company	74.64	347.14
	Bad debts and advances written off	30.79	87.93
	Diminution in value of investments	-	-
	Provision for expected credit loss (at amortised cost) (including on loan commitments)	(61.81)	(8.68)
		43.62	426.39
34	**Employee benefit expenses**		
	Salaries and wages	573.47	602.17
	Contribution to provident and other funds	31.74	26.78
	Gratuity Expense (refer note 40)	9.23	7.38
	ESOP and SAR (Refer note below)	3.55	4.40
	Staff welfare expenses	32.30	22.38
		650.29	663.11

Note:

Edelweiss Financial Services Limited ("EFSL") the ultimate holding Company has granted an Employee stock option plan (ESOP)/ Stock Appreciation Rights (SAR) option to acquire equity shares of EFSL that would vest in a graded manner to Company's employees. Based on group policy / arrangement, EFSL has charged the fair value of such stock options /rights, Company has accepted such cross charge and recognised the same under the employee cost.

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Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)

(Currency : Indian rupees in millions)

		For the year ended March 31, 2023	For the year ended March 31, 2022
35	**Other expenses**		
	Advertisement and business promotion	2.11	0.14
	Commission and brokerage	1.28	0.54
	Communication	5.76	3.91
	Directors' sitting fees	1.43	0.82
	Legal and professional fees	136.51	110.28
	Printing and stationery	3.18	3.88
	Loan origination costs amortised	70.00	112.69
	Rent, rates and taxes	117.33	99.75
	Repairs and maintenance	6.12	5.93
	Electricity charges	9.52	7.00
	Computer expenses	50.27	28.45
	Corporate social responsibility (refer note 35.2)	1.72	7.60
	Rating support fees	8.29	7.70
	Office expenses	28.78	46.48
	Postage and courier	1.89	3.61
	Goods and Service tax expenses	47.35	51.52
	Stamp duty	19.33	11.60
	Auditors' remuneration (refer note 35.1)	3.84	6.93
	Travelling and conveyance	30.60	17.55
	Miscellaneous expenses	2.34	5.56
		547.65	531.94
35.1	**Auditors' remuneration:**		
	As an Auditor		
	Statutory Audit	1.70	2.00
	Limited Review	1.20	2.60
	Certification	0.89	2.29
	Towards reimbursement of expenses	0.05	0.04
		3.84	6.93
35.2	**Details of CSR Expenditure:**		
	As per the provisions of Section 135 of Companies Act 2013.		
a)	Amount required to be spent by the Company	1.72	7.60
b)	Amount of expenditure incurred		
	(i) Construction/ Acquisition of any assets	-	-
	(ii) on purpose other than (i) above	1.72	7.60
c)	shortfall at the end of the year		
	(i) Construction/ Acquisition of any assets	-	-
	(ii) on purpose other than (i) above	-	-
d)	Total of previous years shortfall,	-	-
e)	Reason for shortfall,	Not Applicable	Not Applicable
f)	Details of related party transactions (Refer note 43)		
	Name of Related Party	EdelGive Foundation	
	Relationship	Fellow Subsidiary	
g)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation	-	-

h) Nature of CSR activities

For the year ended March 31, 2023 and March 31, 2022

Education Working to enhance child learning through work with system and community and support to the development of contextual literature for children

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36 Income tax

36.1 The components of income tax expense:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax	71.89	12.89
Short / (Excess) provision for earlier years	5.70	(11.74)
Deferred tax relating of items between book and tax profits	(30.15)	62.60
Total tax charge	47.44	63.75
Current tax	77.59	1.15
Deferred tax	(30.15)	62.60

36.2 Reconciliation of total tax charge

Accounting profit before tax as per financial statements	208.07	201.82
Tax rate (in percentage)	25.17%	25.17%
Income tax expense calculated based on this tax rate	52.37	50.79
Adjustment in respect of current income tax of prior years	5.70	(11.74)
Effect of income not subject to tax:		
Income on closure/modification of leases	9.42	(1.11)
Adjustment on account of Valuation of Securities (ICDS)	-	0.79
Deduction u s 35D of Income tax Act, 1961	(0.08)	(0.08)
Contribution towards Corporate Social Responsibility	0.43	1.91
ESOP and SAR cost reimbursement	0.89	0.75
Effect of non-deductible expenses:		
Others	(21.29)	22.44
Impact of tax rate changes (between two accounting periods)	-	-
Tax charge for the year recorded in P&L	47.44	63.75
Effective tax rate	22.80%	31.59%

(Currency : Indian rupees in millions)

36 **Income tax**

36.3 **Movement of Deferred Tax assets / (liabilities)**

For the Year Ended March 31, 2023

	Deferred tax asset / (liability) (Opening)	In profit or loss	In OCI	Directly in equity	Total movement	Deferred tax asset / (liability) (Closing)
Deferred taxes in relation to:						
Deferred Tax Assets						
Loans						
Provision for Expected credit loss	122.77	(14.78)	-	-	(14.78)	107.99
Effective interest rate on financial assets	6.65	0.26	-	-	0.26	6.91
Employee benefit obligations						
Provision for compensated absences	2.16	(1.10)	-	-	(1.10)	1.06
Disallowances under section 43B of the Income Tax Act, 1961	8.86	0.48	(0.80)	-	(0.32)	8.54
Property, plant and equipment and intangibles						
Difference between book and tax WDV (including intangibles)	11.48	(1.15)	-	-	(1.15)	10.33
Loss on sale of stressed assets to ARC	-	11.30			11.30	11.30
Lease liability	35.07	(1.57)	-	-	(1.57)	33.50
Deferred Tax Liabilities						
Investments and other financial instruments						
Unamortised excess interest spread on loan assignment	(113.39)	35.53	-	-	35.53	(77.86)
Interest Receivable on Stage 3 (On transition to Ind AS)	(1.35)	1.35			1.35	-
Borrowings						
Effective interest rate on financial Liabilities	(9.92)	2.56	-	-	2.56	(7.36)
Right-of-use Asset (ROU)	(28.14)	0.26	-	-	0.26	(27.88)
Special Reserve u/s 36 (I) (viii)	(101.02)	(5.64)	-	-	(5.64)	(106.66)
Gain / (Loss) on Fair value of Security Receipts (Net)	(4.98)	2.64	-	-	2.64	(2.33)
Total	(71.81)	30.15	(0.80)	-	29.35	(42.46)

For the Year Ended March 31, 2022

	Deferred tax asset / (liability) (Opening)	In profit or loss	In OCI	Directly in equity	Total movement	Deferred tax asset / (liability) (Closing)
Deferred Tax Assets						
Provision for expected credit loss	136.84	(14.07)	-	-	(14.07)	122.77
Effective interest rate on financial assets	6.12	0.53	-	-	0.53	6.65
Employee benefit obligations						
Provision for compensated absences	1.24	0.92	-	-	0.92	2.16
Disallowances under section 43B of the Income Tax Act, 1961	18.25	(9.36)	(0.03)	-	(9.39)	8.86
Property, plant and equipment and intangibles						
intangibles)	11.26	0.22	-	-	0.22	11.48
Lease liability	30.59	4.48	-	-	4.48	35.07
Others	32.40	(32.40)	-	-	(32.40)	-
Deferred Tax Liabilities						
Investments and other financial instruments						
Unamortised excess interest spread on loan assignment	(107.87)	(5.52)	-	-	(5.52)	(113.39)
Interest Receivable on Stage 3 (On transition to Ind AS)	(1.87)	0.52	-	-	0.52	(1.35)
Borrowings						
Effective interest rate on financial Liabilities	(13.52)	3.60	-	-	3.60	(9.92)
Right-of-use Asset (ROU)	(23.92)	(4.22)	-	-	(4.22)	(28.14)
Gain / (Loss) on Fair value of Security Receipts (Net)	-	(4.98)	-	-	(4.98)	(4.98)
Special Reserve u/s 36 (I) (viii)	(98.70)	(2.32)	-	-	(2.32)	(101.02)
Total	(9.18)	(62.60)	(0.03)	-	(62.63)	(71.81)

(Currency:Indian rupees in million)

37 Cash Flow Disclosure

Change in Liabilities arising from financing activities

Particulars	As at March 31, 2022	Cash Flows	Changes in Fair value	Others*	As at March 31, 2023
Debt Securities	7,935.92	118.70	-	(55.83)	7,998.79
Borrowings other than Debt Securities	14,485.73	(4,452.45)	-	(66.32)	9,966.96
Subordinated Liabilities	508.63	-	-	-	508.63
Securitization liability (including loan assigned under PCG scheme)	7,769.69	3,027.82	-	(33.22)	10,764.29
	30,699.97	(1,305.93)	-	(155.37)	29,238.67

Particulars	As at March 31, 2021	Cash Flows	Changes in Fair value	Others*	As at March 31, 2022
Debt Securities	11,676.75	(3,561.85)	-	(178.98)	7,935.92
Borrowings other than Debt Securities	22,628.38	(8,171.95)	-	29.30	14,485.73
Subordinated Liabilities	508.61	-	-	0.02	508.63
Securitization liability (including loan assigned under PCG scheme)	5,266.66	2,489.28	-	13.75	7,769.69
	40,080.40	(9,244.52)	-	(135.91)	30,699.97

*Other column includes the effect of accrued but not paid interest on borrowing, amortisation of processing fees etc.

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)

(Currency : Indian rupees in millions)

38. Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

	For the year ended March 31, 2023	For the year ended March 31, 2022
Net Profit attributable to Equity holders of the Company - A	**160.63**	138.07
Weighted average Number of Shares		
- Number of equity shares outstanding at the beginning of the year	**6,93,50,000**	6,93,50,000
- Number of equity shares issued during the year	**-**	-
Total number of equity shares outstanding at the end of the year	**6,93,50,000**	6,93,50,000
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares) - B	**6,93,50,000**	6,93,50,000
Nominal value of equity shares (in rupees)	**10.00**	10.00
Basic and diluted earnings per share (in rupees) (A/B)	**2.32**	1.99

The basic and diluted earnings per share are the same as there are no dilutive/ potential equity shares issued or outstanding as at the year end.

39. Contingent Liability and Commitment:

(a) Contingent Liability

	As at March 31, 2023	As at March 31, 2022
Taxation matters	**Nil**	Nil
Litigation pending against the company	**Nil**	Nil
Corporate guarantee not acknowledged as debt	**Nil**	950.00

The Company's pending litigations mainly comprise of claims against the Company pertaining to proceedings pending with Income Tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in the financial statements. The Company believes that the outcome of these proceedings will not have a materially adverse effect on the Company's financial position and results of operations.

(b) Commitment:

	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account (net of advances)	**1.95**	10.52
Loan sanctioned pending disbursements	**1,399.92**	871.91

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Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited) ★

(Currency : Indian rupees in millions)

40 Retirement and other employee benefits

(a) Defined contribution plan - Provident funds

In accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952, employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which, both the employee and the Company contribute monthly at a determined rate. These contributions are made to a recognized provident fund administered by Regional Provident Fund Commissioner. The employees contribute 12% of their basic salary and the Company contributes an equal amount.

The Company recognised Rs. 30.18 millions (March 31, 2022 : Rs 25.30 Millions) for provident fund in the Statement of profit and loss.

(b) Defined benefit plan - Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a defined benefit plan covering all employees. The plan provides a lump sum payment to vested employees at retirement or termination of employment in accordance with the rules laid down in the Payment of Gratuity Act, 1972. The gratuity benefit is partially provided through funded plan and annual expense is charged to the statement of profit and loss on the basis of actuarial

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation (DBO) for gratuity are carried out as at March 31, 2023. The present value of the defined benefit obligations and the related current service cost and past service cost, are measured using the Projected Unit

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligations (A)	33.95	35.20
Fair Value of plan assets (B)	-	-
Present value of defined benefit obligations (A-B)	33.95	35.20
Net deficit / (assets) are analysed as:		
Liabilities	33.95	35.20
Assets	-	-

Movement in net defined benefit (asset) liability:

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

		Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
(i)	**Present value of defined benefit obligations (opening)**	35.20	32.51	-	-	35.20	32.51
	Current service cost	7.09	5.70	-	-	7.09	5.70
	Past service cost	-	-			-	-
	Interest cost	2.14	1.68	-	-	2.14	1.68
		44.43	39.89	-	-	44.43	39.89
(ii)	**Other comprehensive Income**						
	Remeasurement Actuarial loss (gain) arising from :						
	Experience	0.36	(0.69)	-	-	0.36	(0.69)
	Financial and demographic assumptions	(3.52)	0.57	-	-	(3.52)	0.57
	Expected return from plan assets	-	-	-	-	-	-
		(3.16)	(0.12)	-	-	(3.16)	(0.12)
(iii)	Others						
	Transfer In (Out)	1.10	1.15			1.10	1.15
	Contributions by Employer	-	-	-	-	-	-
	Benefits paid	(8.41)	(5.73)	-	-	(8.41)	(5.73)
		(7.31)	(4.58)	-	-	(7.31)	(4.58)
(iv)	**Closing Balance (i) + (ii) + (iii)**	33.95	35.20	-	-	33.95	35.20
	Represented by:						
	Net defined benefit asset					-	-
	Net defined benefit liability					33.95	35.20

(Currency : Indian rupees in millions)

40 Retirement and other employee benefits

Components of defined benefit plan cost:

		For the year ended March 31, 2023	For the year ended March 31, 2022
(i)	**Recognised in Statement of profit or loss**		
	Current service cost	7.09	5.70
	Interest cost	2.14	1.68
	Expected return on plan assets	-	-
	Past service cost	-	-
		9.23	7.38
(ii)	**Recognised in other comprehensive income**		
	Remeasurement of net defined benefit liability/(asset)	(3.16)	(0.12)
	Return on plan assets excluding net interest	-	-
		(3.16)	(0.12)
	Total (i) + (ii)	6.07	7.26

Actuarial assumptions:

The following were the principal actuarial assumptions at the reporting date:

	As at March 31, 2023	As at March 31, 2022
Discount Rate	7.10%	5.90%
Salary Growth Rate	7.00%	7.00%
Withdrawal/Attrition Rate (based on categories)	31.00%	16.00%
Interest Rate on Net DBO/ (Asset)	5.90%	5.00%
Mortality Rate	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)
Expected weighted average remaining working lives of employees	2 Years	4 Years

Sensitivity analysis:

	As at March 31, 2023		As at March 31, 2022	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (+/- 1%)	0.87	(0.87)	1.84	(1.69)
Discount Rate (+/- 1%)	(0.86)	0.88	(1.69)	1.88
Withdrawal Rate (+/- 1%)	0.00	(0.00)	(0.10)	0.10
Mortality (increase in expected lifetime by 1 year)	Negligible Change		2	
Mortality (increase in expected lifetime by 3 year)	Negligible Change		6	

The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous period to the methods and assumptions underlying the sensitivity analysis.

Asset liability comparisons:	As at March 31, 2023	As at March 31, 2022
Present value of DBO	33.95	35.20
Fair Value of Plan assets	-	-
Net (Assets)/Liability	33.95	35.20

(c) Compensated absences :

The Company provides for accumulated compensated absences as at the balance sheet date using projected unit credit method based on actuarial valuation. The leave encashment on separation is paid on basic salary.

(Currency : Indian rupees in millions)

41. Maturity Analysis of assets and liabilities

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Assets						
Cash and cash equivalents	1,003.39	-	1,003.39	2,929.57	-	2,929.57
Bank balances other than cash and cash equivalents	1,943.79	49.46	1,993.25	2,052.17	20.61	2,072.78
Trade receivables	39.89	-	39.89	56.78	-	56.78
Loans	6,479.63	23,790.80	30,270.43	8,037.00	22,927.41	30,964.41
Investments	456.79	2,347.23	2,804.02	319.70	2,298.36	2,618.06
Other financial assets	401.33	807.16	1,208.49	255.36	316.46	571.82
Non-financial assets						
Current tax assets (net)	-	213.55	213.55	-	113.67	113.67
Investment property	-	23.88	23.88	-	-	-
Property, plant and equipment	-	122.14	122.14	-	128.32	128.32
Intangible assets under development	-	13.99	13.99	-	17.35	17.35
Other intangible assets	-	48.81	48.81	-	5.11	5.11
Other non- financial assets	120.54	-	120.54	88.72	-	88.72
Total Assets	10,445.36	27,417.02	37,862.38	13,739.30	25,827.29	39,566.59
Financial Liabilities						
Trade payables	106.43	-	106.43	146.51	-	146.51
Debt securities	351.26	7,647.53	7,998.79	2,679.85	5,256.07	7,935.92
Borrowings (other than debt securities)	5,131.22	4,835.74	9,966.96	7,540.06	6,945.67	14,485.73
Subordinated liabilities	8.63	500.00	508.63	8.63	500.00	508.63
Other financial liabilities	2,244.57	8,938.30	11,182.87	2,262.56	6,286.92	8,549.48
Non-financial liabilities						-
Current tax liabilities (net)	13.90	-	13.90	5.68	-	5.68
Provisions	43.85	-	43.85	43.98	-	43.98
Deferred tax liabilities (net)	-	42.46	42.46	-	71.81	71.81
Other non-financial liabilities	53.81	-	53.81	42.53	-	42.53
Total Liabilities	7,953.67	21,964.03	29,917.70	12,729.80	19,060.47	31,790.27
Net	2,491.69	5,452.99	7,944.67	1,009.51	6,766.81	7,776.32

(Currency : Indian rupees in millions)

42 Segment Information

The Company is operating under single business segment i.e. to provide loans for purchase or construction of residential houses, loan against properties and loans to real estate developers. Accordingly, there is no separate reportable segment and hence no disclosure is made under Ind AS 108 - 'Operating Segment Reporting'. Further, segmentation based on geography has not been presented as the Company operates only in India.

43 Related Party Disclosures

i. List of related parties and relationship:

Name of related parties by whom control is exercised :

Ultimate Holding Company	Edelweiss Financial Services Limited
Holding Company	Edelweiss Rural & Corporate Services Limited
Fellow Subsidiaries (with whom transactions have taken place)	ECap Securities & Investments Limited (formerly known as ECap Equities Limited w.e.f May 10, 2022)
	Edelweiss Investment Adviser Limited
	ECL Finance Limited
	Edelweiss Rural & Corporate Services Limited
	Edelweiss Asset Reconstruction Company Limited
	Edelweiss Asset Reconstruction Company Limited Trust
	EARC Trust SC 401
	EARC Trust SC 418
	EARC Trust SC 447
	EARC Trust SC 451
	EARC Trust SC 459
	ECap Equities Limited (formerly known as Edel Land Limited w.e.f December 21, 2022)
	Edelweiss Retail Finance Limited
	Zuno General Insurance Limited (formerly known as Edelweiss General InsuranceCompany Limited w.e.f December 27, 202
	EdelGive Foundation
	Edel Investments Limited
	Edelweiss Tokio Life Insurance Company Limited
	Edelweiss Alternative Asset Advisors Limited
Fellow Associates (Cessed to be associates w.e.f March 30, 2023)	Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited w.e f August 18, 2022)
	Nuvama Wealth and Investment Limited (formerly known as Edelweiss BrokingLimited w.e.f September 30, 2022)
	Nuvama Clearing Services Limited (formerly known as Edelweiss Custodial Services Limited w.e.f October 17, 2022)
	Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance & Investments Limited w.e.f September 19, 2022)
Independent Director	Mr. Sunil Phatarphekar (w.e.f. Apr 13, 2020)
	Mr. Biswamohan Mahapatra
	Mr. Gautam Chatterjee
Key Management Personnel (with whom transactions have taken place)	Mr. Deepak Mittal
	Mr. Phanindranath Kakarla (Resigned w.e f Nov 1, 2022)
	Mr. Shilpa Gattani (Resigned w.e f Nov 1, 2022)
	Ms. Shama Asnani (w.e f January 25, 2023)
	Mr. Rajat Avasthi (MD & CEO)
	Mr. Tushar Kotecha (Chief Finance Officer)
	Mr. Girish Manik (Company Secretary)

ii. Transactions with related parties :

Nature of Transaction	Related Party Name	For the year ended March 31, 2023	For the year ended March 31, 2022
<u>Capital Account Transactions:</u>			
Short term loans taken from	*Sum of transactions during the period*		
	ECap Equities Limited	-	500.00
	Edelweiss Retail Finance Limited	-	250.00
	Sum of transactions during the period		
	ECap Equities Limited	-	500.00
	Edelweiss Retail Finance Limited	-	250.00
Short term loans repaid to	*Sum of transactions during the period*		
	ECap Equities Limited	-	500.00
	Edelweiss Retail Finance Limited	-	250.00
Short term loans given to	*Sum of transactions during the period*		
	ECap Equities Limited	3,600.00	-
	ECL Finance Limited	4,040.00	7,950.00
	Edelweiss Retail Finance Limited	-	6,500.00
	Edelweiss Rural & Corporate Services Limited	6,200.00	4,400.00
	ECap Securities And Investments Limited	1,800.00	-

(Currency : Indian rupees in millions)

Short term loans repaid by	*Sum of transactions during the period*		
	ECap Equities Limited	3,000.00	-
	ECL Finance Limited	4,040.00	8,950.00
	Edelweiss Retail Finance Limited	-	6,500.00
	Edelweiss Rural & Corporate Services Limited	6,200.00	4,400.00
	ECap Securities And Investments Limited	1,800.00	-
Loan portfolio purchase under direct assignment	ECL Finance Limited	1,998.46	1,005.78
	Edelweiss Retail Finance Limited	-	282.82
Loan sold to ARC trust	Edelweiss Asset Reconstruction Company Limited	-	1,925.70
Loan sold under Securitisation	Edelweiss General Insurance Company Limited	-	100.83
	Edelweiss Tokio Life Insurance Company Limited	-	997.36
Investment in Security Receipt issued by at book Value	EARC Trust SC 417	-	365.93
	EARC Trust SC 418	-	273.19
	EARC Trust SC 447	-	566.27
	EARC Trust SC 451	-	294.44
	EARC Trust SC 459	-	137.10
Sale of Security Receipts	Edelweiss Asset Reconstruction Company Limited Trust	319.73	-
	Edelweiss Retail Finance Limited	-	378.65
Purchase of bonds from	ECL Finance Limited	-	150.72
	Edelweiss Retail Finance Limited	-	0.20
Redemption of bonds held in	Edelweiss Rural & Corporate Services Limited	-	94.78
<u>Current Account Transactions:</u>			
Interest Expenses on loan from	ECap Equities Limited	-	0.61
	Edelweiss Retail Finance Limited	-	2.08
Interest Income on loan to	ECL Finance Limited	44.19	71.62
	ECap Equities Limited	80.75	-
	Edelweiss Retail Finance Limited	-	19.32
	Edelweiss Rural & Corporate Services Limited	122.70	93.46
	ECap Securities And Investments Limited	23.64	-
Interest Income on security deposit to			
	Edelweiss Rural & Corporate Services Limited	-	11.74
	ECap Equities Limited	-	9.39
Interest Expenses on Non convertible Debentures	ECL Finance Limited	0.49	8.68
	Nuvama Wealth Finance Limited	0.16	0.02
	Edelweiss Retail Finance Limited	0.51	0.81
	Edelweiss Tokio Life Insurance Company Limited	5.01	2.58
	Zuno General Insurance Limited	0.82	-
	ECap Equities Limited	0.49	-
Interest Income on non convertible debentures	Edelweiss Rural & Corporate Services Limited	-	13.21

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Cost reimbursement paid (net)	Edelweiss Financial Services Limited	1.17	1.42
	Edelweiss Rural & Corporate Services Limited	0.02	0.99
	ECL Finance Limited	3.04	1.61
	Nuvama Wealth Management Limited	-	0.00
	ECap Equities Limited	1.52	0.06
	Nuvama Wealth and Investment Limited	-	0.08
	Edelweiss Retail Finance Limited	0.49	0.38
Cost reimbursement received from (net)	Nuvama Clearing Services Limited	0.00	-
Cost reimbursement of technology cost	Edelweiss Financial Services Limited	0.68	-
	Edelweiss Rural & Corporate Services Limited	50.87	47.98
	ECL Finance Limited	6.58	4.96
Reimbursement of ESOP cost	Edelweiss Financial Services Limited	3.55	4.40
Corporate Guarantee fee paid	ECap Equities Limited	0.03	0.03
	Edelweiss Rural & Corporate Services Limited	0.03	0.02
Risk and reward sharing fee expense	Edelweiss Financial Services Limited	-	1.94
Reimbursement of ARC management fee from	Edelweiss Financial Services Limited	11.39	89.03
Service fee received from	Edelweiss Retail Finance Limited	0.07	0.26
	ECL Finance Limited	0.39	0.11
Service charges paid	Edelweiss Retail Finance Limited	0.81	1.50
	ECL Finance Limited	1.08	1.44
Shared Premises Cost paid (net)	ECL Finance Limited	22.48	27.50
	Edelweiss Retail Finance Limited	2.38	8.66
	Nuvama Wealth and Investment Limited	-	0.07
	ECap Equities Limited	16.61	1.80
Shared Premises Cost received (net)	Nuvama Clearing Services Limited	0.10	-
	Zuno General Insurance Limited	-	0.26
	Edelweiss General Insurance Company Limited	-	0.26
	Edelweiss Financial Services Limited	-	0.01
	Edelweiss Rural & Corporate Services Limited	-	0.15
Corporate Guarantee fee received from	Edelweiss Rural & Corporate Services Limited	0.00	0.01
Rating support fees paid to	Edelweiss Rural & Corporate Services Limited	-	0.13
Professional fees paid to	ECL Finance Limited	-	0.55
Management Fees paid to	Edelweiss Asset Reconstruction Company Limited	19.40	76.72
Enterprise service charge paid to	Edelweiss Rural & Corporate Services Limited	0.69	0.63
	ECL Finance Limited	-	20.12
Director Sitting fees	Mr.Sunil Phatarphker		
	Mr.Biswamohan Mahapatra	1.43	0.82
	Mr Gautam Chatterjee		
Remuneration to	Mr.Tushar Kotecha		-
	Mr.Girish Manik	40.85	32.38
	Mr. Rajat Avasthi		
	Mr. Manish Dhanuka	-	
	Ms. Riddhi Parekh	-	

Purchase of Property, plant and equipment			
	ECL Finance Limited	-	0.43
	Edelweiss Investment Advisors Limited	-	0.00
	Edelweiss Retail Finance Limited	0.14	0.33
	Edelweiss Rural & Corporate Services Limited	-	0.07
Sale of Property, plant and equipment	Nuvama Wealth and Investment Limited	-	0.00
	Nuvama Clearing Services Limited	-	0.00
	Edelweiss Insurance Brokers Limited		0.00
	Edelweiss Rural & Corporate Services Limited	0.01	0.00
	Nuvama Wealth Management Limited	-	0.00
	Edelweiss Alternative Asset Advisors Limited	0.01	-
	Edelweiss Investment Advisors Limited	0.00	-
Expenses Paid (Brokerage and Commission)	Nuvama Wealth and Investment Limited	97.40	0.03
	Edelweiss Financial Services Limited	2.50	-
	Edel Investments Limited	0.02	0.01
Security Deposit Paid (Rental)	ECap Equities Limited	13.68	-
	ECL Finance Limited	14.60	-
Security Deposit Refund (Rental)	Edelweiss Tokio Life Insurance Company Limited	0.04	-
Advisory fees earned from	ECL Finance Limited	28.22	17.50
	Edelweiss Retail Finance Limited	2.97	4.30
CSR expenses paid to	EdelGive Foundation	1.72	7.60
Corporate Guarantee Issued	Edelweiss Rural & Corporate Services Limited	950.00	-
Amount paid to broker for Cash segment	Nuvama Wealth Management Limited	-	237.53
	Edelweiss Investment Limited	-	148.08
Amount received from broker for Cash segment	Nuvama Wealth Management Limited	-	333.83
	Edelweiss Investment Limited	-	168.09
Margin Placed	Nuvama Wealth Management Limited	-	80.00
	Edelweiss Investment Limited	-	113.00
Margin Withdrawal	Nuvama Wealth Management Limited	-	86.00
	Edelweiss Investment Limited	-	113.00

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Notes to the financial statements for the year ended March 31, 2023 (Continued)

(Currency : Indian rupees in millions)

Balances with related party

Non convertible debentures held by (Face value)	Nuvama Wealth Finance Limited	-	0.16
	ECL Finance Limited	-	8.33
	Edelweiss Retail Finance Limited	1.80	7.47
	Edelweiss Tokio Life Insurance Company Limited	55.80	25.80
	Zuno General Insurance Limited	10.00	-
	ECap Equities Limited	17.83	-
Short term loan given to	ECap Equities Limited	600.00	-
Interest Payable on Short term borrowings to	Edelweiss Retail Finance Limited	-	0.11
Interest expense accrued on Short term borrowings	ECap Equities Limited	-	0.54
	Edelweiss Retail Finance Limited	-	1.87
Interest Income accrued on loan to	ECL Finance Limited	5.11	7.38
	Edelweiss Rural & Corporate Services Limited	-	9.26
	ECap Equities Limited	8.39	
	ECap Securities And Investments Limited	11.43	
Interest accrued but not due on Non convertible debentures held by	Nuvama Wealth Finance Limited	-	0.01
	Edelweiss Retail Finance Limited	0.13	0.52
	ECL Finance Limited	-	0.58
	Edelweiss Tokio Life Insurance Company Limited	2.00	1.81
	Zuno General Insurance Limited	0.08	-
	ECap Equities Limited	1.56	-
Trade Payables to	Edelweiss Financial Services Limited	0.04	4.88
	ECL Finance Limited	4.57	22.09
	Edelweiss Retail Finance Limited	0.25	6.22
	Nuvama Wealth and Investment Limited	-	0.11
	Edelweiss Rural & Corporate Services Limited	11.00	21.28
	ECap Equities Limited	4.91	2.00
Other Payable to	Edelweiss Financial Services Limited	1.47	0.63
Trade Receivables from	ECL Finance Limited	1.47	13.26
	Edelweiss Financial Services Limited	9.65	24.46
	Edelweiss Retail Finance Limited	0.57	3.68
	ECap Equities Limited	0.00	0.57
	Zuno General Insurance Limited	0.00	-
	Edelweiss Rural & Corporate Services Limited	0.00	0.72
	Edelweiss Tokio Life Insurance Company Limited	0.00	0.00
	Nuvama Clearing Services Limited	-	0.02
Security Deposit Placed (Rental)	ECap Equities Limited	13.68	-
	Edelweiss Tokio Life Insurance Company Limited	0.11	-
	ECL Finance Limited	14.60	-
Other Receivable from	ECL Finance Limited	0.69	0.93
	Edelweiss Retail Finance Limited	0.41	0.08
	Edelweiss Rural & Corporate Services Limited	0.00	0.14
Investment in Security Receipts (Books value) issued by	Edelweiss Asset Reconstruction Company Limited Trust		
	EARC Trust SC 401	479.60	799.51
	EARC Trust SC 418	209.92	240.95
	EARC Trust SC 447	495.07	553.31
	EARC Trust SC 451	226.79	282.02
	EARC Trust SC 459	111.24	137.10
Non-fund Based			
Corporate Guarantee taken from	Edelweiss Financial Services Limited	917.05	1,324.40
	Edelweiss Rural & Corporate Services Limited	1,353.24	1,612.82
	ECap Equities Limited	412.64	280.22
Corporate Guarantee Given to	Edelweiss Rural & Corporate Services Limited	-	950.00
Risk and Rewards sharing arrangement	Edelweiss Financial Services Limited	1,840.28	2,208.60

Notes:

1 Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity, leave encashment, bonus and deferred bonus which are provided for group of employees on an overall basis. These are included on cash basis. The variable compensation included herein is on cash basis.

2 The above list contain name of only those related parties with whom the Company has undertaken transactions for the year ended March 31, 2023 and March 31, 2022.

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44 Leases

44.1. Set out below are the carrying amounts of right-of-use assets recognised and the movements

	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance as at April 1	111.85	95.09
Addition	33.34	51.58
Lease pre-closure (Net)	(7.71)	(5.31)
Amortisation for the year	(29.30)	(29.51)
Balance as at March 31	108.18	111.85

44.2. Set out below are the carrying amounts of lease liabilities and the movements

	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance as at April 1	139.32	121.54
Additions/ reversal (net)	33.34	51.58
Interest on lease liabilities	12.32	12.79
Lease pre-closure (Net)	(14.45)	(9.71)
Repayment of lease obligation	(37.43)	(36.88)
Balance as at March 31	133.10	139.32

44.3. Amounts recognised in profit or loss:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Amortization of right-of-use assets	29.30	29.51
Interest expense on lease liabilities	12.32	12.79
Reversal of lease pre-closure	(6.74)	(4.40)
Total	34.88	37.90

44.4. Total Cash outflow for leases:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash outflow of long term leases	37.43	36.88
Cash outflow of short term leases	1.95	0.55
Total	39.38	37.43

44.5. Details regarding the contractual maturities of lease liabilities, on an undiscounted basis:

	As at March 31, 2023	As at March 31, 2022
Less than 1 year	38.36	40.03
1-3 years	65.15	67.35
3-5 years	28.96	54.14
More than 5 years	2.63	5.72
Total	135.10	167.24

45 *Cost sharing*

Edelweiss Financial Services Limited, being the ultimate holding Company along with fellow subsidiaries incurs expenditure like, Group Mediclaim, insurance, rent, electricity charges etc. which is for the common benefit of itself and its certain subsidiaries, fellow subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, time spent by employees of other Companies, actual identifications etc. On the same lines, employees' costs expended (if any) by the Company for the benefit of fellow subsidiaries is recovered by the Company. Accordingly, and as identified by the management, the expenditure heads in note 34 and 35 include reimbursements paid and are net of reimbursements received based on the management's best estimates are Rs. 105.73 million (previous year Rs. 94.83 million)

46. Risk Management

(a) Introduction and risk profile

Risk is an inherent part of Company's business activities. When the Company extends a corporate or retail loan, buy or sell securities in market, or offers other products or services, the Company takes on some degree of risk. The Company's overall objective is to manage its businesses, and the associated risks, in a manner that balances serving the interests of its customers and investors and protects the safety and soundness of the Company.

The Company believes that effective risk management requires:

1) Acceptance of responsibility, including identification and escalation of risk issues, by all individuals within the Company;
2) Ownership of risk identification, assessment, data and management within each of the lines of business and Corporate; and
3) Firmwide structures for risk governance

The Company strives for continual improvement through efforts to enhance controls, ongoing employee training and development and other measures.

(b) Risk Management Structure

The Company have a well-defined risk management policy framework for risk identification, assessment and control to effectively manage risks associated with the various business activities. The risk function is monitored primarily by the business risk group. The Company has also established a Risk Committee that is responsible for managing the risk arising out of various business activities.

Company's risk management policy ensures that the margin requirements are conservative to be able to withstand market volatility and scenarios of sharply declining prices. As a result, Company follows conservative lending norms. The Company centralises the risk monitoring systems to monitor it's client's credit exposure which is in addition to the monitoring undertaken by the respective businesses.

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee holds regular meetings and report to board on its activities.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(c) Risk mitigation and risk culture

The Company's business processes ensure complete independence of functions and a segregation of responsibilities. Credit appraisal & credit control processes, centralised operations unit, independent audit unit for checking compliance with the prescribed policies and approving loans at transaction level as well as our risk management processes and policies allow layers of multiple checks and verifications. Company's key business processes are regularly monitored by the business and/or operation heads. Company's loan approval and administration procedures, collection and enforcement procedures are designed to minimise delinquencies and maximise recoveries.

At all levels of operations, specifically tailored risk reports are prepared and distributed in order to ensure that all business divisions have access to extensive, necessary and up-to-date information.

It is the Company's policy that a Quarterly briefing is given to the Board of Directors and all other relevant stakeholder on the utilisation

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to, that they decide to take on. The Company's continuous training and development emphasises that employees are made aware of the Company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within it's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

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(d) Types of Risks

The Company's risks are generally categorized in the following risk types:

Risk	Exposure Arising from	Measurement	Management of risk
Credit Risk	Cash equivalents, trade receivables, financial assets measured at amortised cost.	Aging Analysis, Credit Ratings	Credit limits and regular monitoring.
Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of surplus cash, committed credit lines and borrowing facilities
Market Risk	Investments in Government Securities, Treasury Bills, Equity Shares, Futures & Options	Cash flow forecasting Sensitivity analysis	Regular monitoring to keep the exposure at an acceptable level, with option of taking Interest Rate Swaps/Futures if deemed necessary.
Operational & Process Risk	Absence of defined process, Miscommunication/lack of clear ownership, Incomplete/missing documentation, 3rd party/service provider errors, Absence of backup / checkers	Losses from failed transactions processing on account of gaps/absence of defined processes	Regular monitoring to keep the losses at an acceptable level, process monitoring at regular intervals, internal and external audit
Business risk	Change in competition/political/or regulatory environments	Impact analysis of the change in macro economic conditions and align the extant appetite with the changed environment	Periodic review of change in macro-economic environment
Fraud risk	Employee/ customer/ 3rd party or vendor fraud	Measurement of loss arising from a single fraud instance and cumulative fraud instance , any incidents arising from employee fraud , outsourcing vendors assessment	Regular monitoring of fraud incidents and resolution plans, periodic review of outsourcing vendors
Technology risk	Data leakage, non availability of systems, application security, IT infra compromise	Measurement of any incident pertaining to tech service availability , cyber security, breach of confidential data or any other nature	Workshops, emailers (mentioning Do's and Dont's), reporting to the senior management, periodic IT-vulnerability assessments/ development, Periodic BCP and DR drills
Regulatory risk	Compliance and governance risk	Measurement of incidents pertaining to delay in submitting regulatory returns/communication, filing of ROC forms and other submissions, filing of disclosures / intimations with Stock Exchanges, Regulatory penalties in monetary form imposed (if any)	Regular monitoring through RAS, review of internal policies and corporate governance principles
People risk	Organizational talent availability, Ethics and culture of employees	% Attrition rate, any incident pertaining to sexual harassment and fraud or corruption	Regular monitoring through RAS, review of internal policies, POSH policy, code of conduct and HR processes

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46.1. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's loans and trade receivables. The Company has a policy of dealing with creditworthy counterparties and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. In case the loans are to be restructured, similar credit assessment process is followed by the Company.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties/Groups (Single Borrowing Limit/Group Borrowing Limit) and for industry concentrations, and by monitoring exposures in relation to such limits.

Credit quality of a customer is assessed based on its credit worthiness and historical dealings with the Company and market intelligence. Outstanding customer receivables are regularly monitored. The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

(a) Impairment Assessment:

The Company applies the expected credit loss model for recognising impairment loss. The expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The expected credit loss is a product of exposure at default, probability of default and loss given default. The Company has devised an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS. Accordingly, the loans are classified into various stages as follows:

Internal rating grade	Internal grading description	Stages
Performing		
High grade	0 dpd and 1 to 30 dpd*	Stage I
Standard grade	31 to 90 days dpd*	Stage II
Credit Impaired		
Individually impaired	NPA**	Stage III

*Excluding non performing asset (NPA)

**Represent loan assets classified as NPA as per the extant RBI guidelines

(b) Expected Credit Loss

Credit loss is the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Expected Credit Loss (ECL) computation is not driven by any single methodology, however methodology and approach used must reflect the following:

- An unbiased and probability weighted amount that evaluates a range of possible outcomes

- Reasonable and supportable information that is available without undue cost and effort at the reporting date about past events, current conditions and forecasts of future economic conditions;

- Time value of money

While the time value of money element is currently being factored into ECL measurement while discounting cash flows by the Effective Interest Rate (EIR), the objective of developing a macroeconomic model using exogenous macroeconomic variables (MEVs) is to address the first two requirements. This has been achieved by using the model output to adjust the PD risk component in order to make it forward looking and probability-weighted.

(c) Significant increase in credit risk (SICR)

Company considers a financial instrument defaulted, classified as Stage 3 (credit-impaired) for ECL calculations, in all cases when the borrower becomes 90 days past due or classified as non performing asset (NPA) as per RBI guidelines. Classification of assets form stage 1 to stage 2 has been carried out based on SICR criterion. Accounts which are more than 30 days past due have been identified as accounts where significant increase in credit risk has been observed. These accounts have been classified as Stage 2 assets. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

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(d) Probability of Default

Probability of default (PD) is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the Company. While arriving at the PD, the Company also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. Company calculates the 12 month PD by taking into account the past historical trends of the Loans/portfolio and its credit performance. In case of assets where there is a significant increase in credit risk / credit impaired assets, lifetime PD has been applied.

(e) Loss Given Default (LGD)

The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money. The Loss Given Default (LGD) has been computed with workout methodology. Along with actual recoveries, value of the underlying collateral has been factored in to estimate future recoveries in LGD computation. Workout LGD computation involves the actual recoveries as well as future recoveries (as a part of the workout process) on a particular facility, as a percentage of balance outstanding at the time of Default/Restructuring. The assessment of workout LGD was then performed. Principal outstanding each loan was assessed, which went into the denominator of the LGD calculation. LGD computation has been done for each segment and sub-segment separately.

(f) Exposure at Default (EAD)

The amount which the borrower will owe to the portfolio at the time of default is defined as Exposure at Default (EAD). While the drawn credit line reflects the explicit exposure for the Company, there might be variable exposure that may increase the EAD. These exposures are of the nature where the Company provides future commitments, in addition to the current credit. Therefore, the exposure will contain both on and off balance sheet values. The value of exposure is given by the following formula:

EAD = Drawn Credit Line + Credit Conversion Factor * Undrawn Credit Line

Where,

Drawn Credit Line = Current outstanding amount

Credit Conversion Factor (CCF) = Expected future drawdown as a proportion of undrawn amount

Undrawn Credit Line = Difference between the total amount which the Company has committed and the drawn credit line While the drawn exposure and limits for the customer are available, the modelling of CCF is required for computing the EAD

(g) Forward looking adjustments

"A measure of ECL is an unbiased probability-weighted amount that is determined by evaluating a range of possible outcomes and using reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions."

To fulfil the above requirement Company has incorporated forward looking information into its measurement of ECL. The objective of developing a macroeconomic model using exogenous macroeconomic variables (MEVs) is to address the requirements of unbiased, probability weighted outcomes while taking into account current conditions as well as future economic conditions. This will be achieved by using the model output to adjust the PD risk component in order to make it forward looking and probability-weighted.

Exogenous macroeconomic parameters were used as independent (X) variables to predict the dependent (Y) variable. The Company formulates base case view of the future direction of relevant economic variable as well as a representative range of other possible forecast scenario. This involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome.

(h) Data sourcing

The Company is expected to obtain reasonable and supportable information that is available without undue cost or effort. Keeping in mind the above requirement macroeconomic information was aggregated from various research database like Economic Intelligence Unit (EIU), Bloomberg, World Bank, RBI database etc. The EIU data has a database of around 150 macroeconomic variables as well as their forecasted values. Beyond 2022 macro-economic variables are forecasted by mean reverting the values to their long term average. External information includes economic data and forecasts published by governmental bodies and monetary authorities in the country, supranational organisations such as the OECD and the IMF, and selected private sector and academic forecasters.

(i) Probability weighted scenario creations:

To incorporate macroeconomic impact into probability-weighted, each scenario has an associated probability. In order to ensure consistency across macroeconomic models, these probabilities were calculated at an overall level for both Retail and Non-Retail portfolios, considering the impact of a scenario across different portfolios may differ based on endogenous factors, the probability of a scenario unfolding is purely exogenous, and hence should not vary.

The Company has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and using an analysis of historical data, has estimated relationship between marco-economic variables and credit risk and credit losses.

Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assess have been developed based on analysing historical data over the past years.

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46.1.1. Risk concentration

The following table shows the risk concentration by industry for the components of the balance sheet. Additional disclosures for credit quality and the maximum exposure for credit risk per categories based on the Company's internal credit assessment system and year-end stage classification are further disclosed in Note 9.

Industry analysis

As at March 31, 2023	Financial services	Retail - Housing	Retail - Non Housing	Construction	Total
Financial assets					
Cash and cash equivalent and other bank balances	2,996.64	-	-	-	2,996.64
Trade receivables	39.89	-	-	-	39.89
Loans	2,218.61	17,265.87	7,253.04	3,532.90	30,270.43
Investments	2,804.02	-	-	-	2,804.02
Other financial assets	1,208.49	-	-	-	1,208.49
	9,267.65	17,265.87	7,253.04	3,532.90	37,319.47
Loan Commitments	-	1,253.44	146.48	-	1,399.92
Total	9,267.65	18,519.31	7,399.52	3,532.90	38,719.39

As at March 31, 2022	Financial services	Retail - Housing	Retail - Non Housing	Construction	Total
Financial assets					
Cash and cash equivalent and other bank balances	5,002.35	-	-	-	5,002.35
Trade receivables	56.78	-	-	-	56.78
Loans	1,505.90	18,157.87	9,724.74	1,575.68	30,964.19
Investments	2,618.06	-	-	-	2,618.06
Other financial assets	571.82	-	-	-	571.82
	9,754.91	18,157.87	9,724.74	1,575.68	39,213.20
Loan Commitments	-	871.90	0.01	-	871.91
Total	9,754.91	19,029.77	9,724.75	1,575.68	40,085.11

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46.1.2. Collateral held and other credit enhancements

(a) The tables on the following pages show the maximum exposure to credit risk by class of financial asset along with details of principal type of collateral:

	Maximum exposure to credit risk (carrying amount before ECL) As at March 31, 2023	As at March 31, 2022	Principal type of collateral
Financial assets			
Loans (at amortised cost):			
Retail Loans	27,124.27	29,703.92	Property; book receivables
Wholesale Loans	2,943.23	1,728.16	Property; book receivables and liquid securities
Total (A)	30,067.50	31,432.08	
Loan commitments	1,399.92	871.90	Property; book receivables
Total (B)	1,399.92	871.90	
Total (A + B)	31,467.42	32,303.98	

(b) **Financial assets that are stage 3 and related collateral held in order to mitigate potential losses are given below:**

As at March 31, 2023

	Maximum exposure to credit risk (carrying amount before ECL)	Associated ECL	Carrying amount	Fair value of collateral
Financial assets				
Loans	587.53	138.08	449.45	755.00
Total (A)	587.53	138.08	449.45	755.00
Loan commitments (Retail)	3.11	0.54	2.57	4.00
Total (B)	3.11	0.54	2.57	4.00
Total (A + B)	590.64	138.62	452.02	759.00

As at March 31, 2022

Financial assets				
Loans	627.29	166.10	461.19	1,041.20
Total (A)	627.29	166.10	461.19	1,041.20
Loan commitments	3.94	1.68	2.26	6.53
Total (B)	3.94	1.68	2.26	6.53
Total (A + B)	631.23	167.78	463.45	1,047.73

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46.1.3. Overview of modified and forborne loans

The table below includes assets that were modified and, therefore, treated as forborne during the year, with the related modification gain / (loss) suffered by the Company.

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Amortised costs of financial assets modified during the year	-	1,279.54
Net modification gain / (loss)	-	67.05

46.1.4. Transfer of financial assets

(a) Transferred financial assets that are not derecognised in their entirety

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

	As at March 31, 2023	As at March 31, 2022
Securitisations		
Carrying amount of transferred assets *(held as Collateral)*	11,144.33	7,862.64
Carrying amount of associated liabilities	10,832.69	7,804.87
Fair value of assets	11,406.76	8,481.31
Fair value of associated liabilities	10,832.69	7,804.87
Net position at FV	574.07	676.44

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46.2. Liquidity Risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances.

The company has financing arrangement from banks/ financial institutions in form of committed credit lines.

46.2.1. Analysis of non-derivative financial assets and liabilities by remaining contractual maturities

As at March 31, 2023	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
A. Financial Assets											
Cash and cash equivalent and other bank balances	958.07	3.36	109.96	784.86	71.16	12.16	1,007.61	49.46	-	-	2,996.64
Securities held for trading	-	-	-	-	-	-	-	-	-	-	-
Trade receivables	-	-	-	-	39.89	-	-	-	-	-	39.89
Loans	-	511.01	177.89	643.68	1,401.76	1,768.47	3,708.73	13,573.80	4,506.62	18,681.77	44,973.73
Investments	-	-	14.98	14.58	89.22	115.56	222.44	601.08	109.52	1,636.64	2,804.02
Other financial assets	-	-	175.17	205.65	-	19.00	1.51	-	52.46	754.70	1,208.49
Total undiscounted financial assets	958.07	514.37	478.00	1,648.77	1,602.03	1,915.19	4,940.29	14,224.34	4,668.60	21,073.11	52,022.77
B. Financial Liabilities											
Trade payables	-	-	-	106.43	-	-	-	-	-	-	106.43
Debt securities	-	10.74	106.63	46.17	22.69	387.00	133.20	2,795.32	5,485.86	1,973.49	10,961.10
Borrowings (other than debt securities)	-	17.28	78.16	80.47	1,833.00	1,310.84	2,536.74	4,032.81	1,506.18	27.60	11,423.08
Subordinated financial liabilities	-	-	-	-	-	-	56.25	612.50	-	-	668.75
Other financial liabilities	-	71.86	118.95	243.74	320.80	470.45	1,018.77	3,198.72	531.79	5,207.79	11,182.87
Total undiscounted financial liabilities	-	99.88	303.74	476.81	2,176.49	2,168.29	3,744.96	10,639.35	7,523.83	7,208.88	34,342.23
Net financial assets / (liabilities)	958.07	414.49	174.26	1,171.97	(574.46)	(253.10)	1,195.33	3,584.99	(2,855.23)	13,864.23	17,680.55

Note - The company has financing arrangement from banks/ financial institutions in form of committed credit lines. Undrawn committed credit lines as at March 31, 2023 is Rs. 500 million.

46.2.2. The table below shows the expected maturity of the Company's loan commitments

	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Undrawn loan commitments	-	752.61	69.60	66.13	101.61	56.06	105.33	248.20	0.38	-	1,399.92
Total	-	752.61	69.60	66.13	101.61	56.06	105.33	248.20	0.38	-	1,399.92

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As at March 31, 2022	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
A. Financial Assets											
Cash and cash equivalent and other bank balances	2,026.13	1,112.07	45.22	858.22	5.15	-	934.95	20.61	-	-	5,002.35
Trade receivables	-	-	-	56.78	-	-	-	-	-	-	56.78
Loans	-	413.18	187.44	669.01	884.01	2,004.34	6,149.35	13,271.67	5,022.34	21,977.32	50,578.66
Investments at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	319.70	-	-	-	-	400.00	400.00	1,498.36	2,618.06
Other financial assets	-	-	252.89	1.04	-	-	1.43	-	21.48	294.98	571.82
Total undiscounted financial assets	2,026.13	1,525.25	805.25	1,585.05	889.16	2,004.34	7,085.73	13,692.28	5,443.82	23,770.66	58,827.67
B. Financial Liabilities											
Trade payables	-	-	-	146.51	-	-	-	-	-	-	146.51
Other payables	-	-	-	-	-	-	-	-	-	-	-
Debt securities	-	2.02	37.15	1,603.25	883.52	394.06	58.76	1,045.12	4,779.58	1,808.82	10,612.28
Borrowings (other than debt securities)	-	-	85.90	88.76	3,205.33	1,591.31	3,492.14	6,993.84	374.72	186.41	16,018.41
Deposits	-	-	-	-	-	-	-	-	-	-	-
Subordinated financial liabilities	-	-	-	-	-	-	56.25	112.50	612.50	-	781.25
Other financial liabilities	-	22.09	691.06	212.23	179.09	355.40	802.69	2,422.94	439.26	3,424.72	8,549.48
Total undiscounted financial liabilities	-	24.11	814.11	2,050.75	4,267.94	2,340.77	4,409.84	10,574.40	6,206.06	5,419.95	36,107.93
Net financial assets / (liabilities)	2,026.13	1,501.14	(8.86)	(465.71)	(3,378.78)	(336.43)	2,675.89	3,117.88	(762.24)	18,350.71	22,719.74

46.2.2. The table below shows the expected maturity of the Company's loan commitments

Undrawn loan commitments	-	611.30	43.35	41.19	63.28	34.92	65.60	12.27	-	-	871.91
Total	-	611.30	43.35	41.19	63.28	34.92	65.60	12.27	-	-	871.91

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46.2. Liquidity Risk

46.2.3. Financial assets available to support future funding

Following table sets out the availability of Company's financial assets to support funding

As at March 31, 2023	Encumbered		Unencumbered		Total carrying amount
	Pledge as collateral	Contractually/ legally restricted assets [1]	Available as collateral	others [2]	
Cash and cash equivalent including bank balance	1,763.43	1,233.21	-	-	2,996.64
Securities held for trading	-	-	-	-	-
Trade receivables	39.89	-	-	-	39.89
Loans	18,242.83	9,276.51	2,751.09	-	30,270.43
Investments	502.37	127.47	2,174.18	-	2,804.02
Property, Plant and Equipment	1.21	-	-	-	1.21
Other financial assets	247.90	754.71	205.88	-	1,208.49
Total assets	20,797.63	11,391.90	5,131.15	-	37,320.68

As at March 31, 2022	Encumbered		Unencumbered		Total carrying amount
	Pledge as collateral	Contractually/ legally restricted assets [1]	Available as collateral	others [2]	
Cash and cash equivalent including bank balance	2,929.10	2,073.25	-	-	5,002.35
Securities held for trading	-	-	-	-	-
Trade receivables	56.78	-	-	-	56.78
Loans	22,361.06	7,366.54	1,236.81	-	30,964.41
Investments	-	-	2,618.06	-	2,618.06
Property, Plant and Equipment	1.21	-	-	-	1.21
Other financial assets	276.84	294.98	-	-	571.82
Total assets	25,624.99	9,734.77	3,854.87	-	39,214.63

1 Represents assets which are not pledged and the Company believes it is restricted from using to secure funding for legal or other reasons

2 Represents assets which are not restricted for use as collateral, but that the Company would not consider readily available to secure funding in the normal course of business

(Currency : Indian rupees in millions)

46.3. Market Risk

Market risk is the risk associated with the effect of changes in market factors such as interest rates, equity prices, credit spreads or implied volatilities, on the value of assets and liabilities held resulting in loss of future earnings. The objective of the Company's market risk management is to manage and control market risk exposures within acceptable parameters. The Company separates its exposure to market risks between trading and non-trading portfolios.

Exposure to market risk – Non trading portfolios

Interest rate risk - The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands.

ALCO is the monitoring body for compliance with these limits. ALCO reviews the interest rate gap statement and the mix of floating and fixed rate assets and liabilities. Balance Sheet Management Unit is in-charge for day to day management of interest rate risk.

46.3.1 Market risk exposure

The fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates. The Company classifies its exposures to market risk into non–trading portfolios.

	As at March 31, 2023			As at March 31, 2022			
Particulars	**Carrying amount**	**Traded risk**	**Non-traded risk**	Carrying amount	Traded risk	Non-traded risk	**Primary risk sensitivity**
Financial Assets							
Cash and cash equivalent and other bank balances	2,996.64	-	2,996.64	5,002.35	-	5,002.35	Interest rate
Securities held for trading	-	-	-	-	-	-	Interest rate / Price risk
Loans	30,270.43	-	30,270.43	30,964.41	-	30,964.41	Interest rate
Investments	2,804.02	-	2,804.02	2,618.06	-	2,618.06	Interest rate
Trade receivables	39.89	-	39.89	56.78	-	56.78	
Other financial assets	1,208.49	-	1,208.49	571.82	-	571.82	
Total	37,319.47	-	37,319.47	39,213.42	-	39,213.42	
Financial Liabilities							
Debt securities	7,998.79	-	7,998.79	7,935.92	-	7,935.92	Interest rate
Borrowings (other than Debt Securities)	9,966.96	-	9,966.96	14,485.73	-	14,485.73	Interest rate
Subordinated liabilities	508.63	-	508.63	508.63	-	508.63	Interest rate
Trade payables	106.43	-	106.43	146.51	-	146.51	
Other liabilities	11,182.87	-	11,182.87	8,549.48	-	8,549.48	Interest rate
Total	29,763.68	-	29,763.68	31,626.27	-	31,626.27	

(Currency : Indian rupees in millions)

46.3. Market Risk

46.3.2 Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows of financial instruments. The sensitivity of the statement of profit and loss is the effect of the assumed changes in interest rates on the profit or loss for a year, based on the floating rate non–trading financial assets and financial liabilities held as at year end.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss and equity.

<u>INR Loans</u>

For the year ended	Increase/ (Decrease) in basis points	Increase in profit after tax	Decrease in profit after tax	Increase in Equity	(Decrease) in Equity
INR Loans					
March 31, 2023	25/(25)	30.71	(30.71)	30.71	(30.71)
March 31, 2022	25/(25)	30.92	(30.92)	30.92	(30.92)
INR Borrowings					
March 31, 2023	25/(25)	(33.15)	33.15	(33.15)	33.15
March 31, 2022	25/(25)	(39.02)	39.02	(39.02)	39.02

(Currency : Indian rupees in millions)

47.1. Fair Value measurement:

A. Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques:

Level 1 – valuation technique using quoted market price: financial instruments with quoted prices for identical instruments in active markets that company can access at the measurement date.

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

Level 3 – valuation technique with significant unobservable inputs: Those that include one or more unobservable input that is significant to the measurement as whole.

Refer note 3.11 for more details on fair value hierarchy

B. Valuation governance framework

The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by various functions of the Company including the risk and finance functions.

Where fair values are determined by reference to externally quoted prices or observable pricing inputs to models, independent price determination or validation is used. For inactive markets, Company sources alternative market information, with greater weight given to information that is considered to be more relevant and reliable.

The responsibility of ongoing measurement resides with the business and product line divisions. However finance department is also responsible for establishing procedures governing valuation and ensuring fair values are in compliance with accounting standards.

C. The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy

As at March 31, 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets measured at fair value on a recurring basis				
Other financial assets				
Security receipts	-	-	2,174.31	2,174.31
Loans	-	-	425.88	425.88
Mutual Funds	127.34	-	-	127.34
Total financial instruments measured at fair value - C	127.34	-	2,600.19	2,727.53

As at March 31, 2022	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Other financial assets				
Security receipts	-	-	2,618.06	2,618.06
Total financial instruments measured at fair value - C	-	-	2,618.06	2,618.06

D. Valuation techniques:

Security receipts

The market for these Security receipts is not active. Therefore, the Company uses valuation techniques to measure their fair values. Since the security receipts are less liquid instruments therefore they are valued by discounted cash flow models. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers. Securities receipts with significant unobservable valuation inputs are classified as Level 3

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47.1. Fair Value measurement:

E. There have been no transfers between levels during the year ended March 31, 2023 and March 31, 2022.

F. The following table shows a reconciliation of the opening balances and the closing balances for fair value measurements in Level 3 of the fair value hierarchy.

Financial year ended March 2023	Security receipts	Loans	Mutual Funds	Total
Investments/Loans - at April 1, 2022	**2,618.06**	**-**	**-**	**2,618.06**
Purchase	110.33	426.27	127.43	664.03
Sale/Redemption proceeds	(543.56)	-	-	(543.56)
Profit/Loss for the year recognised in profit or loss	(10.52)	(0.39)	(0.09)	(11.00)
Investments/Loans - at March 31, 2023	**2,174.31**	**425.88**	**127.34**	**2,727.53**
Unrealised gain/(Loss) related to balances held at the end of the year	(10.52)	(0.39)	(0.09)	(11.00)

Financial year ended March 2022	Security receipts	Loans	Mutual Funds	Total
Investments - at April 1, 2021	1,600.86	-	-	1,600.86
Purchase	1,636.93	-	-	1,636.93
Sale/Redemption proceeds	(639.50)	-	-	(639.50)
Profit for the year recognised in profit or loss	19.77	-	-	19.77
Investments - at March 31, 2022	2,618.06	-	-	2,618.06
Unrealised gain/(Loss) related to balances held at the end of the year	19.77	-	-	19.77

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47.1. Fair Value measurement:

G. Impact on fair value of level 3 financial instrument of changes to key unobservable inputs

The below table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Company's Level 3 Instruments i.e. Securities receipts. The range of values indicates the highest and lowest level input used in the valuation technique and, as such, only reflects the characteristics of the instruments as opposed to the level of uncertainty to their valuation. Relationships between unobservable inputs have not been incorporated in this summary.

Type of Financial Instruments	Fair value of asset as on 31 March 2023	Valuation techniques	Significant unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value	Decrease in the unobservable input	Change in fair value
Security receipts	2,174.31	Discounted Cash flow. The present value of expected future economic benefits to be derived from the ownership of the underlying investments of the Trust.	Expected future cash flows	2,922.72	5% increase in Expected future Cash flow	122.71	5% Decrease in Expected future Cash flow	(122.71)
			Risk-adjusted discount rate	12.00%	0.5% increase in Risk-adjusted discount rate	(9.66)	0.5% Decrease in Risk-adjusted discount rate	9.75

Type of Financial Instruments	Fair value of asset as on 31 March 2022	Valuation techniques	Significant unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value	Decrease in the unobservable input	Change in fair value
Security receipts	2,618.06	Discounted Cash flow. The present value of expected future economic benefits to be derived from the ownership of the underlying investments of the Trust.	Expected future cash flows	3,465.33	5% increase in Expected future Cash flow	144.95	5% Decrease in Expected future Cash flow	(144.95)
			Risk-adjusted discount rate	12.00%	0.5% increase in Risk-adjusted discount rate	(11.64)	0.5% Decrease in Risk-adjusted discount rate	11.74

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47.2. Financial instruments not measured at fair value

The following table sets out the fair values of financial instruments not measured at fair value and analysing them by the level in the fair value hierarchy into which each fair value measurement is categorised.

As on March 31, 2023	Total Carrying Amount	Total fair value	Level 1	Level 2	Level 3
Financial assets:					
Loans	29,844.56	30,518.85	-	-	30,518.85
Total	29,844.56	30,518.85	-	-	30,518.85
Financial liabilities					
Debt securities	7,998.79	8,950.47	-	8,950.47	-
Borrowing (other than debt securities)	917.05	744.66	-	744.66	-
Subordinated liabilities	508.63	508.52	-	508.52	-
Total	9,424.47	10,203.65	-	10,203.65	-
Off-balance sheet items					
Loan commitments	1,399.90	699.95	-	-	699.95
Total	1,399.90	699.95	-	-	699.95
As on March 31, 2022					
Financial assets:					
Loans	30,964.41	32,083.90	-	-	32,083.90
Total	30,964.41	32,083.90	-	-	32,083.90
Financial liabilities					
Debt securities	7,935.92	8,097.44	-	8,097.44	-
Borrowing (other than debt securities)	1,324.40	1,320.75	-	1,320.75	-
Subordinated liabilities	508.63	508.48	-	508.48	-
Total	9,768.95	9,926.67	-	9,926.67	-
Off-balance sheet items					-
Loan commitments	871.91	435.96	-	-	435.96
Total	871.91	435.96	-	-	435.96

Valuation Methodologies of Financial Instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions explained in notes.

Short Term Financial Assets and Liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value. Such instruments include: Trade receivables, balances other than cash and cash equivalents, trade payables and contract liability without a specific maturity. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

Financial assets at amortised cost

The fair values of financial assets measured at amortised cost are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk. In case of floating interest rate linked loans, since such loans are subject to repricing periodically (less than twelve months), with the interest rate reflecting current market price. Hence carrying value of such loans is deemed to be equivalent of fair value.

Issued Debt

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Company's own credit risk.

Financial liabilities at amortised cost

The fair values of financial liabilities measured at amortised cost are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields. In case of floating interest rate linked borrowings, since such borrowings are subject to repricing periodically (less than twelve months), with the interest rate reflecting current market price. Hence carrying value of such borrowings is deemed to be equivalent of fair value.

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48. Trade receivables

Provision matrix for Trade receivables

Particulars	Trade receivables days past due	1-90days	91-180 days	181-365 days	more than 365 days	Total
ECL rate		1.38%	11.58%	0.00%	100.00%	
As at March 31, 2023	Estimated total gross carrying amount at default	40.45	0.00	0.00	6.52	46.97
	ECL - Simplified approach	(0.56)	(0.00)	(0.00)	(6.52)	(7.08)
	Net carrying amount	39.89	0.00	0.00	-	39.89
As at March 31, 2022	Estimated total gross carrying amount at default	46.70	12.47	0.00	3.80	62.97
	ECL - Simplified approach	(0.88)	(1.51)	-	(3.80)	(6.19)
	Net carrying amount	45.82	10.96	-	-	56.78

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49 Details of the loan taken from Banks and other parties

Nature of security and terms of repayment for secured borrowings (other than debentures):
All secured long term borrowings are secured by way of hypothecation of receivables i.e. loans and advances and corporate guarantee from the ultimate holding company and/or holding company.

(a) From Banks
As at March 31, 2023

Month of Maturity / Repayment	Rate of Interest		Total
	<= 9%	> 9%	
December-2027	-	125.00	125.00
September-2027	31.25	132.43	163.68
June-2027	31.25	147.22	178.47
March-2027	31.25	147.22	178.47
December-2026	31.25	147.22	178.47
September-2026	31.25	147.22	178.47
June-2026	31.25	147.22	178.47
March-2026	31.25	147.22	178.47
December-2025	31.25	147.22	178.47
September-2025	31.25	147.22	178.47
June-2025	31.25	147.22	178.47
March-2025	31.25	147.22	178.47
December-2024	132.70	870.49	1,003.19
September-2024	104.15	147.22	251.37
June-2024	154.15	772.22	926.37
March-2024	292.56	389.52	682.08
December-2023	258.35	1,159.52	1,417.87
September-2023	227.10	820.61	1,047.71
June-2023	227.10	1,551.03	1,778.13
Total	**1,739.86**	**7,440.24**	**9,180.10**

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49 Details of the loan taken from Banks and other parties

(a) From Banks
As at March 31, 2022

Month of Maturity / Repayment	Rate of Interest		Total
	<=9%	> 9%	
March-2025	14.18	-	14.18
December-2024	739.63	-	739.63
September-2024	72.90	-	72.90
June-2024	762.08	-	762.08
March-2024	503.61	-	503.61
December-2023	1,253.58	-	1,253.58
September-2023	614.40	286.09	900.49
June-2023	1,253.58	391.50	1,645.08
March-2023	614.40	391.50	1,005.90
December-2022	1,487.57	391.50	1,879.07
September-2022	873.83	391.50	1,265.33
June-2022	1,527.93	391.50	1,919.43
Total	9,717.71	2,243.57	11,961.28

(Currency : Indian rupees in millions)

49 Details of the loan taken from Banks and other parties

(b) From The National Housing Bank
As at March 31, 2023

Month of Maturity / Repayment	Rate of Interest			Total
	<6.5%	6.5% to <=8.50%	8.51% to 9.5%	
July-2028	-	7.10	-	7.10
April-2028	-	19.80	-	19.80
January-2028	-	19.80	-	19.80
October-2027	-	20.33	-	20.33
July-2027	-	20.66	-	20.66
April-2027	-	21.45	-	21.45
January-2027	-	31.26	-	31.26
October-2026	-	31.26	-	31.26
July-2026	-	31.26	-	31.26
April-2026	-	31.26	-	31.26
January-2026	-	31.26	-	31.26
October-2025	-	31.26	-	31.26
July-2025	27.30	31.26	-	58.56
April-2025	30.50	31.26	-	61.76
January-2025	31.45	32.62	-	64.07
October-2024	31.95	33.20	-	65.15
July-2024	39.97	33.20	-	73.17
April-2024	41.21	33.20	-	74.41
January-2024	41.21	33.20	-	74.41
October-2023	41.21	33.20	-	74.41
July-2023	41.21	33.20	-	74.41
Total	326.01	591.04	-	917.05

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49 Details of the loan taken from Banks and other parties

(b) From The National Housing Bank
As at March 31, 2022

Month of Maturity / Repayment	Rate of Interest			Total
	<6.5%	6.5% to <=8.50%	8.51% to 9.5%	
January-2029	-	4.63	-	4.63
October-2028	-	19.80	-	19.80
July-2028	-	19.80	-	19.80
April-2028	-	19.81	-	19.81
January-2028	-	20.66	-	20.66
October-2027	-	23.89	-	23.89
July-2027	-	32.36	-	32.36
April-2027	-	33.20	-	33.20
January-2027	-	33.20	-	33.20
October-2026	-	33.20	-	33.20
July-2026	-	33.20	-	33.20
April-2026	-	33.20	-	33.20
January-2026	-	33.20	-	33.20
October-2025	-	33.20	-	33.20
July-2025	27.30	33.20	-	60.50
April-2025	30.50	33.20	-	63.70
January-2025	31.45	33.20	-	64.65
October-2024	31.95	33.20	-	65.15
July-2024	39.97	33.20	-	73.17
April-2024	41.21	33.20	-	74.41
January-2024	41.21	33.20	-	74.41
October-2023	41.21	33.20	-	74.41
July-2023	41.21	33.20	-	74.41
April-2023	41.21	33.20	5.99	80.40
January-2023	41.21	33.20	7.24	81.64
October-2022	41.21	33.20	7.24	81.64
July-2022	42.19	33.20	7.24	82.62
Total	491.83	804.87	27.70	1,324.40

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50 Repayment terms of Secured Non-convertible Debentures are as follow.

As at March 31, 2023

Description of Secured Redeemable Non Convertible Debentures (NCD)	Rate	Issue Date	Redemption Date	No. of NCDs	Amount
Project Nest Series IX	9.30%	29-Apr-2022	29-Apr-2032	1,45,764	145.76
Project Nest Series X	9.70%	29-Apr-2022	29-Apr-2032	78,539	78.54
EHFL 10.28%, Monthly**	10.28%	18-Mar-2019	18-Mar-2029	1,500	1,500.00
Project Nest Series VI	9.15%	29-Apr-2022	29-Apr-2027	4,35,340	435.34
Project Nest Series VII	9.55%	29-Apr-2022	29-Apr-2027	2,40,138	240.14
Project Nest Series VIII	9.55%	29-Apr-2022	29-Apr-2027	97,722	97.72
EHFL/Public NCD/Series VII	10.00%	19-Jul-2016	19-Jul-2026	59,841	59.84
EHFL/Public NCD/Series VI	10.00%	19-Jul-2016	19-Jul-2026	31,97,060	3,197.06
EHFL/Public NCD/Series V	9.57%	19-Jul-2016	19-Jul-2026	2,48,424	248.42
EHFL/NCD/29Apr26	9.62%	29-Apr-2016	29-Apr-2026	250	250.00
Project Nest Series III	8.70%	29-Apr-2022	29-Apr-2025	4,07,968	407.97
Project Nest Series IV	9.05%	29-Apr-2022	29-Apr-2025	4,45,582	445.58
Project Nest Series V	9.05%	29-Apr-2022	29-Apr-2025	1,60,488	160.49
Project Nest Series I	8.50%	29-Apr-2022	29-Apr-2024	2,80,127	280.13
Project Nest Series II	8.50%	29-Apr-2022	29-Apr-2024	1,27,025	127.03
Total					**7,674.02**

**All Secured NCDs are fully secured by way of mortgage of identified immovable property as stated in the respective debenture trust deed(s) and/ or by way of charge/ hypothecation of book debts/ receivables/ loan receivables, on first / pari-passu basis, to the extent stated in the respective information memorandum read with the underlying debenture trust deed.

As at March 31, 2022

Description of Secured Redeemable Non Convertible Debentures (NCD)	Rate	Issue Date	Redemption Date	No. of NCDs	Amount
EHFL 10.28%, Monthly**	10.28%	18-Mar-2019	18-Mar-2029	1,500	1,500.00
EHFL/Public NCD/Series VII	0.00%	19-Jul-2016	19-Jul-2026	59,841	59.84
EHFL/Public NCD/Series VI	10.00%	19-Jul-2016	19-Jul-2026	31,97,061	3,197.06
EHFL/Public NCD/Series V	9.57%	19-Jul-2016	19-Jul-2026	2,48,424	248.42
EHFL/NCD/29Apr26	9.62%	29-Apr-2016	29-Apr-2026	250	250.00
EHFL/NCD/30Jun22	8.55%	30-Jun-2017	30-Jun-2022	100	100.00
EHFL_Reisssuance	8.55%	12-Jul-2017	30-Jun-2022	200	200.00
EHFL/NCD/21Jun22	8.55%	21-Jun-2017	21-Jun-2022	500	500.00
EHFL/NCD/19May22	8.55%	19-May-2017	19-May-2022	500	500.00
EHFL/NCD/18May22	9.25%	18-Nov-2020	18-May-2022	1,000	1,000.00
Total					7,555.33

**All Secured NCDs are fully secured by way of mortgage of identified immovable property as stated in the respective debenture trust deed(s) and/ or by way of charge/ hypothecation of book debts/ receivables/ loan receivables, on first / pari-passu basis, to the extent stated in the respective information memorandum read with the underlying debenture trust deed.

(Currency : Indian rupees in millions)

51 Details of Unsecured Subordinated Debentures

As at March 31, 2023

Description of Unsecured Redeemable Non Convertible Debentures (NCD)	CouponRate	Issue Date	Redemption Date	No. of NCDs	Amount
EHFL/NCD/3May2025	11.25%	04-Feb-2015	03-May-2025	500	500.00
					500.00

As at March 31, 2022

Description of Unsecured Redeemable Non Convertible Debentures (NCD)	CouponRate	Issue Date	Redemption Date	No. of NCDs	Amount
EHFL/NCD/3May2025	11.25%	04-Feb-2015	03-May-2025	500	500.00
					500.00

(Currency : Indian rupees in millions)

52. Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements from its regulators and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

(a) The Pillars of its policy are as follows:

a) Maintain diversity of sources of financing and spreading the maturity across tenure buckets in order to minimize liquidity risk.

b) Maintain investment grade ratings for all its liabilities issuances domestically and internationally by ensuring that the financial strength of their balance sheets are preserved.

c) Manage financial market risks arising from Interest rate, equity prices and minimise the impact of market volatility on earnings.

d) Leverage optimally in order to maximise shareholder returns while maintaining strength and flexibility of balance sheet.

This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment

(b) Regulatory Capital

The below regulatory capital is computed in accordance with the relevant regulatory guidelines.

Particulars	As at March 31, 2023	As at March 31, 2022
Capital Funds		
Common Equity Tier1 (CET1) capital	6,147.44	6,086.73
Other Tier 2 capital instruments (CET2)	-	-
Total capital	6,147.44	6,086.73
Risk weighted assets	19,174.56	21,526.01
CET1 Capital ratio	32.06%	28.28%
CET2 Capital ratio	0.00%	0.00%
Total Capital ratio	32.06%	28.28%

(Currency : Indian rupees in millions)

53. Other disclosures

(i) Disclosure under Regulation 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Related Party transactions

Particulars	As at March 31, 2023	As at March 31, 2022
Loans and advances in the nature of loans to subsidiaries	-	-
Loans and advances in the nature of loans to associates	-	-
Loans and advances in the nature of loans to firms/companies in which directors are interested	624.93	16.64
Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan	-	-

(ii) Disclosure Large Corporate as per the applicability criteria given under the SEBI circular SEBI/HO/DDHS/CIR/P/2021/613 dated August 10, 2021.

Initial Disclosure to be made by an entity identified as a Large Corporate

Sr. No.	Particulars	Details
1	Name of the Company	Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited
2	CIN	U65922MH2008PLC182906
3	Outstanding borrowing of Company as on March 31, 2023	18,474.38
4	Highest Credit Rating during the previous FY along with name of the Credit Rating Agency	As per Table 1 below
5	Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	BSE LIMITED

Table 1

Product	Credit Rating	Name of Rating Agency
Bank Borrowings	A+	ICRA Limited
Bank Borrowings	AA-	CRISIL
Bank Borrowings	A+	CARE Limited
Commercial Papers	A1+	CARE Limited
Commercial Papers	A1+	CRISIL
Long Term Sub-Debt	A+	CARE Limited
Long Term Sub-Debt	A+	ICRA Limited
Long Term-NCD	AA-	Brickwork Ratings
Long Term-NCD	A+	ICRA Limited
Long Term-NCD	AA-	CRISIL
Long Term-NCD	A+	CARE Limited
Perpetual - Debt	A+	Brickwork Ratings
Long Term-NCD	AA-	ACUITE

6. Details of incremental borrowings during the year ended March 31, 2023

S No.	Particulars	Details
i.	3-year block period (Specify financial years)	FY 2021-22, FY 2022-23 and FY 2023-24
ii.	Incremental borrowing done in FY23 (a)	6,159.06
iii.	Mandatory borrowing to be done through issuance of debt securities in FY23 (b) = (25% of a)	1,539.76
iv.	Actual borrowings done through debt securities in FY23 (c)	2,759.06
v.	Shortfall in the mandatory borrowing through debt securities, if any, for FY (T-1) carried forward to FY (T).	-
vi.	Quantum of (d), which has been met from (c)- (e)	NA
vii.	Shortfall, if any, in the mandatory borrowing through debt securities for FY (T) {after adjusting for any shortfall in borrowing for FY (T-1) which was carried forward to FY (T)} (f)= (b)-[(c)-(e)] {If the calculated value is zero or negative, write "nil"}	NA

7 Details of penalty to be paid, if any, in respect to previous block :

S No.	Particulars	Details
i.	3-year Block period (Specify financial years)	FY 2021-22, FY 2022-23 and FY 2023-24
ii.	Amount of fine to be paid for the block, if applicableFine = 0.2% of {(d)-(e)}#	NA

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Notes to the financial statements for the year ended March 31, 2023 (Continued)
(Currency : Indian rupees in millions)

53. Other disclosures

(iii) Disclosure of ratios

Sr No	Particulars	Mar-23	Mar-22
1	Debt-equity Ratio (refer note 1)	3.68	3.95
2	Debt service coverage ratio (DSCR) (refer note 2)	0.31	0.24
3	Interest service coverage ratio (ISCR) (refer note 3)	1.07	1.06
4	Outstanding redeemable preference shares (quantity and value)	Nil	Nil
5	Debenture redemption reserve (Rupees in Millions)	256.25	256.25
6	Net worth (refer note 4) (Rupees in Millions)	7,944.68	7,776.32
7	Net profit after tax (Rupees in Millions)	160.63	138.07
8	Earnings per share (not annualised)		
8.a	Basic (Rupees)	2.32	1.99
8.b	Diluted (Rupees)	2.32	1.99
9	Total debts to total assets (refer note 5)	0.77	0.78
10	Net profit margin (%) (refer note 6)	3.64%	2.69%
11	Sector specific equivalent ratios as on March 31, 2023		
	(a) Capital to risk-weighted assets ratio (CRAR) (%)	32.06%	28.28%
	(b) Tier I CRAR (%)	32.06%	28.28%
	(c) Tier II CRAR (%)	0.00%	0.00%
	(d) Stage 3 ratio (gross) (%) (refer note 7)	1.91%	1.99%
	(e) Stage 3 ratio (net) (%) (refer note 8)	1.46%	1.46%

(a) The Company, being a Housing Finance Company ('HFC'), disclosure of Current ratio, Long term debt to working capital, Bad debts to Account receivable ratio, Current liability ratio, Debtors turnover , Inventory turnover and Operating margin ratio are not applicable

(b) As per RBI guidelines on Liquidity Risk Management Framework, all non-deposit taking HFCs with asset size of Rs. 5,000 crore shall maintain the required level of Liquidity coverage ratio (LCR) starting December 1, 2021 in phased manner from 30% to 100% by December 1, 2025. As at March 31, 2023, the Company's asset size is less than Rs. 5,000 crores and hence minimum LCR maintenance is not mandatory for the Company.

Notes:-

1 Debt-equity Ratio = Total Debt (Debt Securities + Borrowings (other than debt securities) + Subordinated Liabilities + Securitisation Liabilities) / Net worth

2 DSCR = Profit before interest and tax / (Interest expense + Principal repayment of borrowing and securitisation Liability in next twelve months)

3 ISCR = Profit before interest and tax / Interest expense

4 Net worth = Share capital + Share application money pending allotment + Reserves & Surplus – Deferred Tax Assets

5 Total debts to total assets = Total Debt (Debt Securities + Borrowings (other than debt securities) + Subordinated Liabilities + Securitisation Liabilities) / Total assets

6 Net profit margin (%) = Net profit after tax / Revenue from Operations

7 Stage 3 ratio (gross) = Gross Stage 3 loans / Gross Loans

8 Stage 3 ratio (net) = (Gross stage 3 loans - impairment loss allowance for Stage 3) / Gross Loans

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Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)

(Currency : Indian rupees in millions)

53. Other disclosures

(iv) Relationship with Struck off Companies

Below are the transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

Name of the struck off company	Nature of transactions with struck-off Company	Relationship with the Struck off company, if any, to be disclosed	As on March 31, 2023	As on March 31, 2022
Glossy Creations Private Limited	Receivables	None	0.59	0.66
	Investments in securities	NA	-	-
	Payables	NA	-	-
	Shares held by stuck off Company	NA	-	-

(v) Registration of charges or satisfaction with Registrar of Companies (ROC)

No charges or satisfaction yet to be registered with ROC beyond the statutory period by the company.

(vi) Compliance with number of layers of companies

The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(vii) Utilisation of Borrowed funds and share premium

(a) During the year, the company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(b) During the year, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party(Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(viii) Details of Benami Property held

There is no proceedings which have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ix) Undisclosed income

The Company will not have any transaction which was not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

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54. Regulatory disclosures

The following minimum disclosures have been given in accordance with RBI Circular No. RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17,2021 (Amended as on December 27,2022) of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, Circular on Scale Based Regulation (SBR): DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021, Circular RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022, and others relevant regulatory circulars /guidelines issued by RBI/NHB.

(i) Statutory reserve

As per Section 29C of the The National Housing Bank Act, 1987 (the "NHB Act"), the company is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared. For this purpose any Special Reserve created by the company under Section 36(1)(viii) of the Income- tax Act, is considered to be an eligible transfer. The company has transferred an amount of Rs. 22.49 million (Previous Year Rs. 9.30 million) to Special Reserve No. II in terms of Section 36(1)(viii) of the Income-tax Act, 1961 and an amount of Rs.9.64 million (Previous Year Rs. 18.32 million) to "Statutory Reserve (As per Section 29C of The NHB Act)".

Reserve Fund under section 29C of National Housing Bank Act, 1987

Particulars		As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year		Amount	Amount
a)	Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	173.98	155.66
b)	Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under section 29C of the NHB Act, 1987	401.44	392.14
c)	**Total**	**575.42**	547.80
Addition/Appropriation/Withdrawal during the year			
Add : a)	Amount transferred u/s 29C of the NHB Act, 1987	9.64	18.32
b)	Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under section 29C of the NHB Act, 1987	22.49	9.30
Less : a)	Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b)	Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/ s 29C of the NHB Act, 1987	-	-
Balance at the end of the year			
a)	Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	183.62	173.98
b)	Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under section 29C of the NHB Act, 1987	423.93	401.44
c)	**Total**	**607.55**	575.42

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Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)

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Notes to the financial statements (Continued)
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54. Regulatory disclosures

(ii) *Fraud Reporting*

There were NIL fraud cases (Previous year Rs. 29.75 millions) identified and reported to NHB during the financial year ended on March 31, 2023.

(iii) *Foreign Exchange Transaction and Un-hedged Foreign Currency Risk*

The Company has not undertaken any foreign currency transaction during the year ended March 31, 2023 (Previous year: Rs Nil). Also the company does not have any un-hedged foreign curreny exposure as at March 31, 2023 (Previous year Rs. Nil).

(iv) *Details of dues to micro enterprise and small enterprise*

Trade Payables include Rs.8.17 (Previous year: Rs. 5.19) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. Rs 0.08 interest has been paid by the Company during the year to "Suppliers" registered under this Act. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said act.

(v) *Capital to risk assets ratio (CRAR)*

	Particulars	As at March 31, 2023	As at March 31, 2022
(i)	CRAR (%)	32.06%	28.28%
(ii)	CRAR - Tier I capital (%)	32.06%	28.28%
(iii)	CRAR - Tier II Capital (%)	0.00%	0.00%
(iv)	Amount of subordinated debt raised as Tier-II capital	-	-
(v)	Amount raised by issue of perpetual debt instruments	-	-

(vi) *Investments*

	Value of Investments	As at March 31, 2023	As at March 31, 2022
(i)	Gross value of Investments		
	(a) In India	2,794.86	2,598.29
	(b) Outside India	Nil	Nil
(ii)	Provisions for Depreciation/appreciation*		
	(a) In India	9.16	19.77
	(b) Outside India	Nil	Nil
(iii)	Net value of Investments		
	(a) In India	2,804.02	2,618.06
	(b) Outside India	Nil	Nil
	Movement of provisions held towards depreciation on investments		
(i)	Opening balance	-	-
(ii)	Add: Provisions/appriciation* made during the year	9.16	19.77
(iii)	Less: Write-off / Written-bank of excess provisions during the year	-	-
(iv)	Closing balance	9.16	19.77

*Repersents unrealised gain due to fair values change

(vii) *Derivatives and Long Term Contracts*

The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts has been made in the books of account. The Company has not entered into any derivative contracts during the year. (Previous year Rs. Nil) and hence detailed disclosure is not required.

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Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)

Confidential

(Currency : Indian rupees in millions)

54. Regulatory disclosures

(viii) ***Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)***

		As at March 31, 2023	As at March 31, 2022
(i)	The notional principal of swap agreements	Nil	Nil
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	Nil	Nil
(iii)	Collateral required by the HFC upon entering into swaps	Nil	Nil
(iv)	Concentration of credit risk arising from the swaps	Nil	Nil
(v)	The fair value of the swap book	Nil	Nil

(ix) ***Exchange Traded Interest Rate (IR) Derivative***

		As at March 31, 2023	As at March 31, 2022
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year (instrumentwise)	Nil	Nil
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as on March 31, 2023 and March 31, 2022 (instrument-wise)	Nil	Nil
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	Nil	Nil
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	Nil	Nil

(x) ***Disclosures on Risk Exposure in Derivatives***

A. Qualitative Disclosure

The Company has not entered into any derivative contracts during the year. (Previous year Rs. Nil)

B. Quantitative Disclosure

		As at March 31, 2023	As at March 31, 2022
(i)	Derivatives (Notional Principal Amount)	Nil	Nil
(ii)	Marked to Market Positions [1]		
	(a) Assets (+)	Nil	Nil
	(b) Liability (-)	Nil	Nil
(iii)	Credit Exposure [2]	Nil	Nil
(iv)	Unhedged Exposures	Nil	Nil

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Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)

(Currency : Indian rupees in millions)

54. Regulatory disclosures

(xi) *Securitisation/ Direct Assignment:*

(a) Disclosures in the notes to the accounts in respect of securitisation transactions as required under revised guidelines on securitization transactions issued by Reserve bank of India vide Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 dated September 24, 2021 (Amended as on December 05, 2022).

	Particulars	As at March 31, 2023	As at March 31, 2022
1	No. of SPVs* sponsored by the HFC for securitisation transactions	16	5
2	Total amount of securitised assets as per books of the SPVs sponsored by the HFC**	8,966.68	4,259.23
3	Total amount of exposures retained by the HFC to comply with MRR as on the date of balance sheet	1,731.16	589.72
	(i) Off-balance sheet exposures towards Credit Enhancements		
	a) First Loss	-	-
	b) Others	-	-
	(ii) On-balance sheet exposures towards Credit Enhancements		
	a) First Loss (Cash Collateral term deposits with Banks)	1,094.04	444.46
	b) Series A PTCs/ABS	637.12	145.26
	C) Others		
4	Amount of exposures to securitisation transactions other than MRR	-	-
	(i) Off-balance sheet exposures towards Credit Enhancements		
	a) Exposure to own securitisations		
	i.) First Loss	-	-
	ii.) Others	-	-
	b) Exposure to third party securitisations		
	i.) First Loss	-	-
	ii.) Others	-	-
	(ii) On-balance sheet exposures towards Credit Enhancements		
	a) Exposure to own securitisations		
	i.) First Loss	-	-
	ii.) Second Loss	-	-
	ii.) Others		
	b) Exposure to third party securitisations		
	i.) First Loss	-	-
	ii.) Others	-	-
5	Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation.		
	A) Sale consideration	7,476.44	4,541.71
	b) Gain/loss	-	-
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.		
	A) FixedDeposit	1,094.04	444.46
	b) Series A	637.12	145.26
7	Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.		
	Opening balace	444.46	
	a) Amount paid	649.58	444.46
	b) Repayment received	-	-
	c) Outstanding amount	1,094.04	444.46
8	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e RMBS, Vehicle Loans etc.	1.66%	2.24%
9	Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separatel each asset class i.e. RMBS, Vehicle Loans etc.	NIL	Nil
10	Investor complaints		
	a) Directly/Indirectly received	NIL	Nil
	b) Complaints outstanding	NIL	Nil

* Only the SPVs relating to outstanding securitisation transactions may be reported here.
** An amount of Rs 159.52 Million has been received by the Trust on 29th March 2023 from Nido Home Finance Limited
(Formerly known as Edelweiss Housing Finance Limited)

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)

(Currency : Indian rupees in millions)

54. Regulatory disclosures

(b)(i) Details of Financial Assets sold to Reconstruction Company for Asset Reconstruction

	Particulars	As at March 31, 2023	As at March 31, 2022
i)	No. of accounts	68	1309
ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	134.62	2,172.40
iii)	Aggregate consideration	129.80	1,925.80
iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
v)	Aggregate gain / loss over net book value	(4.82)	(246.60)

(b)(ii) Details of Financial Assets sold to Securitastion Company

	Particulars	As at March 31, 2023	As at March 31, 2022
i)	No. of accounts	3742	3114
ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	7,476.44	4,541.71
iii)	Aggregate consideration	7,476.44	4,541.71
iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
v)	Aggregate gain / loss over net book value	-	-
vi)	Rating-wise distribution of rated loans	AAA (SO),AA,AA-(SO),A(SO),BBB+	AAA (SO),AA,BBB+

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(Currency : Indian rupees in millions)

54. Regulatory disclosures

(c) Disclosures in the notes to the accounts in respect of assignment transactions as required by RBI vide Master Direction - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24 2021 (Updated as on December 05, 2022).

	Particulars	As at March 31, 2023	As at March 31, 2022
1	No. of transactions assigned by the HFC	65	34
2	Total amount outstanding	11,002.97	13,558.08
3	Total amount of exposures retained by the HFC to comply with MRR as on the date of balance sheet	1,109.86	1,236.55
	(I) Off-balance sheet exposures		
	a) First Loss	-	-
	b) Others	-	-
	(II) On-balance sheet exposures		
	a) First Loss	-	-
	b) Others	1,109.86	1,236.55
4	Amount of exposures to assignment transactions other than MRR	756.56	756.56
	(I) Off-balance sheet exposures		
	a) Exposure to own assignments		
	i.) First Loss	-	-
	ii.) Others	-	-
	b) Exposure to third party assignments		
	i.) First Loss	-	-
	ii.) Others	-	-
	(II) On-balance sheet exposures		
	a) Exposure to own assignments	756.56	756.56
	i.) First Loss	-	-
	ii.) Others	-	-
	b) Exposure to third party assignments		
	i.) First Loss	-	-
	ii.) Others	-	-

(d) Details of Assignment transactions and Co-lending undertaken by HFCs

		For the year ended March 31, 2023	For the year ended March 31, 2022
i)	No. of accounts	654	2504
ii)	Aggregate value (net of provisions) of accounts sold	1,687.91	3,004.31
iii)	Aggregate consideration	1,687.91	3,004.31
iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
v)	Aggregate gain / loss over net book value	-	-

(e) ***Details of non-performing financials assets purchased / sold***

During the year the Company has not purchases non-performing financials assets. (Previous year : Nil)

A. Details of non-performing financial assets purchased :

			As at March 31, 2023	As at March 31, 2022
1	(a)	No. of accounts purchased during the year	Nil	Nil
	(b)	Aggregate exposure	Nil	Nil
2	(a)	Of these, number of accounts restructured during the year	Nil	Nil
	(b)	Aggregate exposure	Nil	Nil

B. Details of Non-performing Financial Assets sold:

		As at March 31, 2023	As at March 31, 2022
1	No. of accounts sold	68	1309
2	Aggregate exposure of loans transferred	134.62	2,172.40
3	Aggregate consideration received	129.80	1,925.80

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54. **Regulatory disclosures**

(xii) *Disclosure of Restructured Accounts - Micro, Small and Medium Enterprises (MSME) sector as at March 31, 2023*
The company has restructured the accounts as per by RBI Circular Circulars DBR.No.BP.BC.100/21.04.048/2017-18 dated February 07, 2018,DBR.No.BP.BC.108/21.04.048/2017-18 dated June 6, 2018, DBR.No.BP.BC.18/21.04.048/2018-19 RBI/2018-19/100 dated January 1, 2019, DOR.No.BP.BC.34/21.04.048/2019-20 RBI/2019-20/160 dated February 11, 2020, DOR.No.BP.BC/4/21.04.048/2020-21 dated August 6, 2020

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
No of accounts restructured	28	38
Amount (Indian rupees in millions)	124.20	187.90

* *Excludes account closed/written off during period.*

(xiii) **Exposure to real estate sector**
In accordance with RBI Circular Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021, Circular RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022.

a) Exposure to real estate sector, both direct and indirect

Category	As at March 31, 2023	As at March 31, 2022
a) Direct exposure		
(i) **Residential mortgages -**		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; [Individual housing loans up to Rs. 15 lakh, Rs. 4,359.12 million (Previous Year Rs. 4518.93 million)]. Exposure would also include non-fund based (NBF) limits.	26,415.30	27,733.32
(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.	3,115.69	2,573.22
(iii) **Investments in Mortgage Backed Securities (MBS) and other securitised**		
a) Residential	Nil	Nil
b) Commercial real estate	Nil	Nil
c) Investment In PTC	Nil	Nil
b) Indirect exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	Nil	Nil
Total	29,530.99	30,306.54

b) Exposure to capital market

	Particulars	As at March 31, 2023	As at March 31, 2022
(i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	Nil	Nil
(ii)	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	Nil	Nil
(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	1562.14	1513.76
(iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances	Nil	Nil
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	Nil	Nil
(vi)	loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	Nil	Nil
(vii)	bridge loans to companies against expected equity flows / issues	Nil	Nil
(viii)	Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds.	Nil	Nil
(ix)	Financing to stockbrokers for margin trading		
(x)	All exposures to Alternative Investment Funds:		
	(i) Category I	Nil	Nil
	(ii) Category II	Nil	Nil
	(iii) Category III	Nil	Nil
	Total Exposure to Capital Market	1562.14	1513.76

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(xiv) *Details of financing of parent Company products - Nil (Previous year - Nil)*

(xv) *Details of Single Borrower Limit (SBL) / Group Borrower Limit (GBL) exceeded by the HFC*

During the year ended March 31, 2023 and March 31, 2022, the Company's credit exposure (whether in terms of sanctioned amount or entire amount outstanding, whichever is higher) to single borrowers and group borrowers were within the limits prescribed by the RBI.

(xvi) *Unsecured Advances*

The Company has not taken any charge over the rights, licenses, authorisations, etc., against unsecured loans given to borrowers in the current year and previous year.

(xvii) *Remuneration of Directors*

The Company has not entered into any transactions with non-executive directors during the year (Previous Year Rs.Nil), except for those disclosed in note 54 (xxxv)

(xviii) *Net Profit or Loss for the period, prior period items and changes in accounting policies*

There are no prior period items during the year (Previous Year Rs.Nil) and no change in any accounting policy from last year.

(xix) *Accounting Standard 21 - Consolidated Financial Statemeents (CFS)*

The company does not have any subsidiary, associate, or joint venture in the current year and previous year and hence consolidation of accounts is not required.

(xx) *Details of 'provisions and contingencies'*

Break up of 'provisions and Contingencies' shown under the head expenditure in statement of profit and loss.		For the year ended March 31, 2023	For the year ended March 31, 2022
(i)	Provisions for depreciation on investment	Nil	Nil
(ii)	Provision towards NPA - (Stage III loans)	(29.16)	36.03
(iii)	Provision made towards income tax	77.59	1.15
(iv)	Provision for standard assets* (with details like teaser loan, CRE, CRE-RH etc.) - Stage I & II loans	(33.54)	(46.71)
(v)	Other provision and contingencies	Nil	Nil

* Provision for Stage I & II loans include CRE - RH of Rs (12.06) million (Previous Year Rs 3.76 million), CRE - Non-RH of Rs (1.3) million (Previous Year Rs 1.68 million), Non CRE of Rs (20.18) million (Previous Year Rs (52.14) million)

(xxi)

Break up of Loan & Advances and Provisions thereon		Housing		Non-Housing	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
	Standard Assets				
(a)	Total Outstanding Amount #	20,593.98	19,667.53	9,510.53	11,153.93
(b)	Provisions made	163.22	172.58	120.15	143.96
	Sub-Standard Assets**				
(a)	Total Outstanding Amount	342.08	257.93	53.20	200.76
(b)	Provisions made	60.51	38.64	10.34	36.28
	Doubtful Assets – Category-I**				
(a)	Total Outstanding Amount	104.79	45.80	13.75	75.31
(b)	Provisions made	24.31	26.10	5.13	19.31
	Doubtful Assets – Category-II**				
(a)	Total Outstanding Amount	3.59	11.53	43.42	-
(b)	Provisions made	0.85	11.53	10.79	-
	Doubtful Assets – Category-III**				
(a)	Total Outstanding Amount	-	2.87	-	5.53
(b)	Provisions made	-	2.87	-	5.53
	Loss Assets**				
(a)	Total Outstanding Amount	8.60	9.19	18.10	18.33
(b)	Provisions made	8.71	9.19	17.99	18.33
	TOTAL				
(a)	**Total Outstanding Amount**	21,053.04	19,994.85	9,639.01	11,453.87
(b)	**Provisions made**	257.59	260.91	164.40	223.40

** Represent Stage III loans

Note:

#

Standard Assets	Housing		Non-Housing	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Principal outstanding	20,971.31	19,463.15	8,431.27	10,498.69
Interest accrued	229.54	194.48	160.49	181.41
EIR and other Ind AS adjustment	(606.87)	9.90	918.40	473.79

2. The Category of Doubtful Assets will be as under:

Period for which the assets has been considered as doubtful	Category
Up to one year	Category-I
One to three years	Category-II
More than three years	Category-III

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(xxii) ***Draw Down from Reserves***

The Company has drawn NIL (Previous Year Rs. 85.07 milion) from the debenture redemption reserve and transferred to retained earnings on redemption of debentures till March 31, 2023. Further, pursuant to the amendments in the Companies Act, 2013, debenture redemption reserve is not required to be created for debentures issued by Non-Banking Finance Companies (including Housing Finance Companies) regulated by Reserve Bank of India.

(xxiii) ***Concentration of Public Deposits, Advances, Exposures and NPAs***

Concentration of Public Deposits (for Public Deposit taking/holding HFCs)

Particular	As at March 31, 2023	As at March 31, 2022
Total Deposit of twenty largest depositors	NA	NA
% of deposits to twenty largest depositors to total Deposits of the HFC	NA	NA

Concentration of Loans & Advances

Particular	As at March 31, 2023	As at March 31, 2022
Total Loans & Advances to twenty largest borrowers	6,149.04	3,706.74
% of Loans & Advances to twenty largest borrowers to total advances of the HFC	20.03%	11.79%

Concentration of all exposure (including off-balance sheet exposure)

Particular	As at March 31, 2023	As at March 31, 2022
Total exposures to twenty largest borrowers / customers	6,353.63	3,976.29
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	19.99%	12.49%

Concentration of NPAs (Stage III loans)

Particular	As at March 31, 2023	As at March 31, 2022
Total exposures to top ten NPAs	158.29	134.22

Sector-wise NPAs (Stage III loans)

SL. No.	Sector	% of NPAs to total advances in that sector	
		As at March 31, 2023	As at March 31, 2022
A.	**Housing Loans:**		
1	Individual	2.66%	1.80%
2	Builders / Project Loans	0.00%	0.00%
3	Corporates	0.00%	0.00%
4	Other (specify)	0.00%	0.00%
B.	**Non-Housing Loans:**		
1	Individual	2.03%	3.65%
2	Builders / Project Loans	0.00%	0.00%
3	Corporates	0.24%	0.00%
4	Other (HUF & Partnership Firm)	0.00%	0.88%

* NPAs represents Stage III loans.

(xxiv) ***Movements of NPAs (Stage III loans)***

The following table sets forth, for the periods indicated, the details of movement of gross Non-performing assets (NPAs), net NPAs and provision

	Particular	As at March 31, 2023	As at March 31, 2022
i)	**Net NPAs to net advances (%)**	1.47%	1.47%
ii)	**Movement of Gross NPAs**		
	a) Opening balance	627.30	1,275.78
	b) Additions during the year	994.93	1,839.97
	c) Reductions during the year	(1,034.70)	(2,488.45)
	d) Closing balance	587.53	627.30
iii)	**Movement of net NPAs**		
	a) Opening balance	459.44	1,144.05
	b) Additions during the year	789.72	1,377.74
	c) Reductions during the year	(800.33)	(2,062.27)
	d) Closing balance	448.83	459.52
iv)	**Movement of provisions for NPAs**		
	a) Opening balance	167.78	131.73
	b) Provisions made during the year	205.22	462.23
	c) Write-off/write-back of excess provisions	(234.37)	(426.18)
	d) Closing balance	138.63	167.78

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(xxv) *Asset liability management*

Maturity pattern of certain items of assets and liabilities
As at March 31, 2023

Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from Bank	-	-	7.41	7.41	1,745.51	1,122.12	2,248.77	3,420.55	1,388.31	26.88	9,966.96
Market Borrowing	13.03	-	114.87	-	-	223.36	8.63	1,931.13	4,492.10	1,724.30	8,507.42
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Gross Advances	328.73	79.24	454.92	498.76	1,249.40	1,366.46	2,556.75	10,169.98	2,338.56	11,649.25	30,692.05
Investments*	-	-	14.98	14.58	89.22	115.56	222.44	601.08	109.52	1,636.64	2,804.02
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

*Includes Securities held for trading

In computing the above information, certain estimates assumptions and adjustments have been made by the management which are consistent with the guidelines provided by the regulator.

As at March 31, 2022

Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from Bank	-	-	2.40	-	3,079.84	1,347.95	3,109.76	6,448.26	323.37	174.15	14,485.73
Market Borrowing	-	-	28.14	1,575.75	852.62	223.36	8.63	-	4,256.47	1,499.58	8,444.55
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Gross Advances	0.51	212.68	454.97	458.00	666.15	1,452.00	4,890.89	8,744.61	1,753.87	12,815.04	31,448.72
Investments*	-	-	319.70	-	-	-	-	400.00	400.00	1,498.36	2,618.06
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

*Includes Securities held for trading

In computing the above information, certain estimates assumptions and adjustments have been made by the management which are consistent with the guidelines provided by the regulator.

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(xxvi) *Details of ratings assigned by credit rating agencies and migration of ratings during the year*

As at March 31, 2023

Instrument Category	ICRA	CARE	Brickworks	CRISIL	ACUITE
i) Long Term Instruments :	(Stable)	(Negative)	(Negative)	(Negative)	(Negative)
Rating	ICRA A+/Stable	CARE A+/Negative	BWR AA- and A+/Negative	CRISIL AA-/Negative	ACUITE AA-/Negative
Amount	54,169.70	29,200.00	6,500.00	28,350.00	5,000.00
ii) Short Term Instruments :					
Rating	NA	CARE A1+	NA	CRISIL A1+	
Amount	NA	10,000.00	NA	2,500.00	

Note:- There were no change in any of above ratings or outlook during the year.

As at March 31, 2022

Instrument Category	ICRA	CARE	Brickworks	CRISIL	ACUITE
i) Long Term Instruments :	(Negative)	(Stable)	(Stable)	(Negative)	(Negative)
Rating	ICRA A+ / Negative	CARE A+/Stable	BWR AA-/Stable and BWR A+/Stable	CRISIL AA-/Negative	ACUITE AA/Negative
Amount	57,550.50	30,200.00	6,500.00	36,150.00	5,000.00
ii) Short Term Instruments :					
Rating	NA	CARE A1+	NA	CRISIL A1+	NA
Amount	NA	10,000.00	NA	2,500.00	NA

Note:- There were no change in any of above ratings or outlook during the year.

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54 Regulatory Disclosures

(xxvii) *Disclosure of Restructured Accounts*

(as required by RBI guidelines under reference DNBS. CO. PD. No. 367 / 03.10.01 / 2013-14 dated January 23, 2014 read with RBI circular RBI/2019-20/160 DOR.No.BP.BC.34/21.04.048/2019-20 dated February 11, 2020 & RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 dated August 6, 2020).

Sl No	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring					Others					Total				
	Asset Classification		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtfu	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
	Details																					
1	Restructured accounts as on 1st April, 2022 (Opening figures) (refer note 1)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	430	34	0	0	464	430	34	0	0	464
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	1,426.34	67.14	0.00	0.00	1,493.48	1,426.34	67.14	-	-	1,493.48
		Provision thereon	-	-	-	-	-	-	-	-	-	-	133.59	10.67	0.00	0.00	144.26	133.59	10.67	-	-	144.26
2	Fresh restructuring during the year (refer note 2)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-	-	-	-	-	-
3	Upgradations of restructured accounts to Standard category	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-10.00	10.00	-	-	-	(10.00)	10.00	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-21.62	21.62	-	-	-	(21.62)	21.62	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-2.16	2.16	-	-	-	(2.16)	2.16	-	-	-
		5% new provision on standard assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured advances which ceases to attract higher provisioning and/ or additional risk weight at the end of the financial year and hence need not be shown as restructured standard advances at the beginning of the next financial year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	72.00	34.00	-	-	106.00	72.00	34.00	-	-	106.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	(208.53)	(160.82)	-	-	(369.35)	(208.53)	(160.82)	-	-	(369.35)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(16.73)	(10.77)	-	-	(27.50)	(16.73)	(10.77)	-	-	(27.50)
5	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(24.00)	24.00	(7.00)	-	(7.00)	(24.00)	24.00	(7.00)	-	(7.00)
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	(170.67)	170.67	(40.98)	-	(40.98)	(170.67)	170.67	(40.98)	-	(40.98)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(17.55)	17.55	(8.69)	-	(8.69)	(17.55)	17.55	(8.69)	-	(8.69)
6	Write-offs of restructured accounts during the FY 22-23	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(9.00)	-	-	-	(9.00)	(9.00)	-	-	-	(9.00)
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	(59.46)	-	-	-	(59.46)	(59.46)	-	-	-	(59.46)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(5.64)	-	-	-	(5.64)	(5.64)	-	-	-	(5.64)
7	Restructured accounts as on 31st Mar, 2023 (Closing figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	325	24	7.00	-	356.00	325.00	24.00	7.00	-	356.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	966.06	98.61	40.98	-	1,105.65	966.06	98.61	40.98	-	1,105.65
		Provision thereon	-	-	-	-	-	-	-	-	-	-	91.51	19.61	8.69	-	119.81	91.51	19.61	8.69	-	119.81

Note :
Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

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(xxvii) *Disclosure of Restructured Accounts*

(as required by RBI guidelines under reference DNBS. CO. PD. No. 367 / 03.10.01 / 2013-14 dated January 23, 2014 read with RBI circular RBI/2019-20/160 DOR.No.BP.BC.34/21.04.048/2019-20 dated February 11, 2020 & RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 dated August 6, 2020).

Sl No	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standar	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
	Details																					
1	Restructured accounts as on 1st April, 2021 (Opening figures) (refer note)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	61.00	5.00	0.00	0.00	66.00	61.00	5.00	-	-	66.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	199.08	10.82	0.00	0.00	209.90	199.08	10.82	-	-	209.90
		Provision thereon	-	-	-	-	-	-	-	-	-	-	15.57	1.08	0.00	0.00	16.65	15.57	1.08	-	-	16.65
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	470.00	-	-	-	470.00	470.00	-	-	-	470.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	1,279.54	-	-	-	1,279.54	1,279.54	-	-	-	1,279.54
		Provision thereon	-	-	-	-	-	-	-	-	-	-	110.88	-	-	-	110.88	110.88	-	-	-	110.88
3	Upgradations of restructured accounts to Standard category	No. of borrowers	-	-	-	-	-	-	-	-	-	-	0.00	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	0.00	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	0.00	-	-	-	-	-	-	-	-	-
		5% new provision on standard assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured advances which ceases to attract higher provisioning and/ or additional risk weight at the end of the financial year and hence need not be shown as restructured standard advances at the beginning of the next financial year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	67.00	5.00	-	-	72.00	67.00	5.00	-	-	72.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	7.27	(3.23)	-	-	4.04	7.27	(3.23)	-	-	4.04
		Provision thereon	-	-	-	-	-	-	-	-	-	-	17.18	(0.44)	-	-	16.74	17.18	(0.44)	-	-	16.74
5	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(34.00)	34.00	-	-	-	(34.00)	34.00	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	(59.55)	59.55	-	-	-	(59.55)	59.55	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(10.04)	10.04	-	-	-	(10.04)	10.04	-	-	-
6	Write-offs of restructured accounts during the FY 21-22	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured accounts as on 31st Mar, 2022 (Closing figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	430.00	34.00	-	-	464.00	430.00	34.00	-	-	464.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	1,426.34	67.14	-	-	1,493.47	1,426.34	67.14	-	-	1,493.48
		Provision thereon	-	-	-	-	-	-	-	-	-	-	133.59	10.67	-	-	144.27	133.59	10.67	-	-	144.26

Note :
Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

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Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited) ★

Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)
Notes to the financial statements *(Continued)*
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54. Regulatory Disclosures

(xxviii) Note to the balance sheet of a non-deposit taking Housing Finance Company

Liabilities side:				
Particulars	Amount outstanding		Amount overdue	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
1) Loans and advances availed by HFC inclusive of interest accrued thereon but not paid				
a) Debentures:				
(other than those falling within the meaning of Public deposit)				
(i) Secured	7,998.79	7,935.92	-	-
(ii) Unsecured	508.63	508.63	-	-
b) Deferred credits	-	-	-	-
c) Term loans	9,966.97	14,421.88	-	-
d) Inter-corporate loans and borrowing	-	-	-	-
e) Commercial paper	-	-	-	-
f) Other loans	-	-	-	-
(i) Loan from related parties	-	2.41	-	-
(ii) Bank overdraft	-	61.44	-	-
(* Please see note 1 below)				
Assets side:				
2) Break up of loans and advances including bills receivables (other than those included in (3) below)				
a) Secured	30,067.12	31,432.08	-	163.94
b) Unsecured	624.93	16.64	-	-
3) Break up of leased assets and stock on hire and other assets counting towards AFC activities				
a) Lease assets including lease rentals under sundry debtors:				
(i) Financial lease	-	-	-	-
(ii) Operating lease	-	-	-	-
b) Stock on hire including hire charges under sundry debtors				
(i) Assets on hire	-	-	-	-
(ii) Repossessed assets	-	-	-	-
c) Other loans counting towards asset financing Company activities				
(i) Loans where assets have been repossessed	-	-	-	-
(ii) Other loans	-	-	-	-

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Notes to the financial statements *(Continued)*
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54. Regulatory Disclosures

(xxviii) Note to the balance sheet of a non-deposit taking Housing Finance Company

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
4) Break up of investments				
Current investments:				
a) Quoted:				
(i) Shares: Equity	-	-	-	-
Preference	-	-	-	-
(ii) Debentures and bonds	-	-	-	-
(iii) Units of mutual funds	-	-	-	-
(iv) Government securities	-	-	-	-
(v) Others	-	-	-	-
b) Unquoted:				
(i) Shares: Equity	-	-	-	-
Preference	-	-	-	-
(ii) Debentures and bonds	-	-	-	-
(iii) Units of mutual funds	-	-	-	-
(iv) Government securities	-	-	-	-
(v) Others (pass through certificates)	-	-	-	-
Long-term investments (net of provision)				
a) Quoted:				
(i) Shares: Equity	-	-	-	-
Preference	-	-	-	-
(ii) Debentures and bonds	-	-	-	-
(iii) Units of mutual funds	-	-	-	-
(iv) Government securities	-	-	-	-
(v) Others	-	-	-	-
b) Unquoted:				
(i) Shares: Equity	-	-	-	-
Preference	-	-	-	-
(ii) Debentures and bonds	-	-	-	-
(iii) Units of mutual funds	-	-	127.34	-
(iv) Government securities	-	-	-	-
(v) Others : Pass through certificates	-	-	502.37	-
Security receipts	-	-	2,174.31	2,618.06

5) Borrower group-wise classification of assets financed as in (2) and (3) above

Particulars	Amount net of provisions					
	Secured		Unsecured		Total	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
1. Related parties						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	624.93	16.63	624.93	16.63
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	30,067.12	30,947.78	-	-	30,067.12	30,947.78
TOTAL	30,067.12	30,947.78	624.93	16.63	30,692.05	30,964.41

6) Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted)

Particulars	Market value/break up or fair value or NAV		Book value (net of provisions)	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
1) Related parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	1,513.78	2,010.18	1,513.78	2,010.18
(c) Other related parties	-	-	-	-
2) Other than related parties	1,290.24	607.88	1,290.24	607.88
TOTAL	2,804.02	2,618.06	2,804.02	2,618.06

7) Other information		
Particulars	As at March 31, 2023	As at March 31, 2022
a) Gross non-performing assets		
1) Related parties	-	-
2) Other than related parties	587.53	627.30
b) Net non-performing assets		
1) Related parties	-	-
2) Other than related parties	448.83	459.52
c) Assets acquired in satisfaction of debt	-	-

Note :
1. As defined in paragraph 2(1)(xii) of the Non-Banking Financial Compnay Acceptance of public deposits(Reserve bank) Direction,1998.

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54. Regulatory Disclosures

(xxix) Disclosure on liquidity risk

Public Disclosure on Liquidity Risk for the year ended March 2023 as per Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021 (Amended as on September 29, 2022).

a) Funding Concentration based on significant counterparty (both deposits and borrowings)

	As at March 31, 2023	As at March 31, 2022
Number of significant counterparties*	10	8
Amount of borrowings from significant counterparties	12,338.05	18,326.97
% of Total deposits	NA	NA
% of Total liabilities**	41.24%	57.65%

* *"Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the HFC's total liabilities.*

** *"Total liabilities " refers to total external liabilities (i.e. excluding total equity).*

b) Top 20 large deposits

The Company being a Systemically Important Non-Deposit taking Housing Finance Company registered with National Housing Bank, does not accept public deposits.

c) Top 10 Borrowings

	As at March 31, 2023	As at March 31, 2022
Amount of Borrowings from top 10 lenders	12,338.05	18.526.97
% of Total Borrowings	42.20%	80.80%

d) Funding Concentration based on significant instrument/product*

	As at March 31, 2023		As at March 31, 2022	
	Amount	% of Total Liabilities**	Amount	% of Total Liabilities**
Market Borrowings				
Non Convertible Debentures	7,998.79	26.74%	7,935.92	24.96%
Sub-ordinated Debentures	508.63	1.70%	508.63	1.60%
Other Borrowings				
Term Loans	9,966.96	33.31%	13,221.88	41.59%
Working Capital Demand Loan	-	0.00%	1261.44	3.97%
Securitisation Liability	10,764.29	35.98%	-	0.00%

* *"significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the HFC's total liabilities.*

** *"Total liabilities " refers to total external liabilities (i.e. excluding total equity).*

(Currency :Indian rupees in millions)

54. Regulatory Disclosures

e) Stock Ratios

	As at March 31, 2023	As at March 31, 2022
Commercial papers as a % of total public funds*	0.00%	0.00%
Commercial papers as a % of total liabilities	0.00%	0.00%
Commercial papers as a % of total assets	0.00%	0.00%
Non-convertible debentures (original maturity of less than one year) as a % of total public funds	0.00%	0.00%
Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	0.00%	0.00%
Non-convertible debentures (original maturity of less than one year) as a % of total assets	0.00%	0.00%
Other short-term liabilities**, if any as a % of total public funds	0.00%	5.78%
Other short-term liabilities**, if any as a % of total liabilities	0.00%	4.17%
Other short-term liabilities**, if any as a % of total assets	0.00%	3.35%

* *"Total public funds" refers to the aggregate of Debt securities, Borrowing other than debt securities and Subordinated liabilities.*

** *"Other short-term liabilities" refers to the borrowing in short term in nature..*

f) Institutional set-up for liquidity risk management

The Board of Directors of the Company has constituted the Asset Liability Management Committee and the Risk Management Committee.

The Asset Liability Management Committee/ Risk Management Committee, inter alia –

Implement and administer guidelines on Asset-Liability Management approved by the Board and its revision if any;

Monitor the asset liability gap and overcome the asset-liability mismatches, interest risk exposure, etc.; Strategize action to mitigate risk associated with the asset liability gap;

Guides in developing risk management policies and procedures and monitor adherence to various risk parameters and prudential limits; review the risk monitoring system and ensure effective risk management; and

The Company has a Liquidity Contingency plan in place to ensure various liquidity parameters are defined and tracked regularly. Liquidity Management Team is provided with update on expected liquidity shortfalls in Normal as well as Stress scenario

The Company has ensured maintenance of a Liquidity Cushion in the form of cash balance, Liquid debt mutual Fund schemes, bank fixed deposits and undrawn cash credit limits etc. These assets carry minimal credit risk and can be liquidated in a very short period. A comfortable liquidity cushion is maintained of the borowings. These would be to take care of immediate obligations while continuing to honour our commitments as a going concern.

There are available lines of credit from banks which are drawable on notice which further augment the available sources of funds.

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54. Regulatory Disclosures

(xxx) Prudential Floor for ECL
As at March 31, 2023

Housing Finance Companies (NBFC-HFC) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109. The impairment allowances under Ind AS 109 made by the Company higher than the total provision required under IRACP (including standard asset provisioning), as at March 31, 2023 and accordingly, no amount is required to be transferred to impairment reserve.

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5 = 3 - 4	6	7 = 4 - 6
Performing Assets						
Standard	Stage 1	26,824.76	91.75	26,733.01	120.05	(28.29)
	Stage 2	3,280.14	191.24	3,088.90	103.53	87.71
Subtotal		**30,104.90**	**282.99**	**29,821.91**	**223.58**	**59.41**
Non-Performing Assets (NPA)						
Substandard	Stage 3	395.28	70.85	324.43	88.75	(17.90)
Doubtful - up to 1 year	Stage 3	118.54	29.44	89.10	44.77	(15.33)
1 to 3 years	Stage 3	47.01	11.64	35.37	23.43	(11.79)
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**165.55**	**41.08**	**124.47**	**68.20**	**(27.12)**
Loss	Stage 3	26.70	26.70	0.00	26.70	-
Subtotal for NPA		**587.53**	**138.63**	**448.90**	**183.65**	**(45.02)**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	1,364.56	-	1,364.56	-	-
	Stage 2	32.25	-	32.25	-	-
	Stage 3	3.11	-	3.11	-	-
Subtotal		**1,399.92**	-	**1,399.92**	-	-
Total	Stage 1	**26,824.38**	**91.75**	**26,732.63**	**120.05**	**(28.29)**
	Stage 2	**3,280.14**	**191.24**	**3,088.90**	**103.53**	**87.71**
	Stage 3	**587.53**	**138.63**	**448.90**	**183.65**	**(45.02)**
	Total	**30,692.05**	**421.62**	**30,270.43**	**407.23**	**14.40**

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54. Regulatory Disclosures

(xxx) Prudential Floor for ECL

As at March 31, 2022

Housing Finance Companies (NBFC-HFC) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109. The impairment allowances under Ind AS 109 made by the Company higher than the total provision required under IRACP (including standard asset provisioning), as at March 31, 2022 and accordingly, no amount is required to be transferred to impairment reserve.

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5 = 3 - 4	6	7 = 4 - 6
Performing Assets						
Standard	Stage 1	27,937.60	89.93	27,847.67	120.72	(30.80)
	Stage 2	2,883.82	226.60	2,657.22	139.37	87.23
Subtotal		30,821.42	316.53	30,504.89	260.10	56.43
Non-Performing Assets (NPA)						
Substandard	Stage 3	458.71	74.91	383.80	94.53	(19.62)
Doubtful - up to 1 year	Stage 3	121.13	45.41	75.72	44.66	0.75
1 to 3 years	Stage 3	11.53	11.53	0.00	11.53	-
More than 3 years	Stage 3	8.40	8.40	0.00	8.40	-
Subtotal for doubtful		141.06	65.34	75.72	64.59	0.75
Loss	Stage 3	27.54	27.53	0.00	27.53	-
Subtotal for NPA		627.30	167.78	459.52	186.65	(18.87)
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	859.47	-	859.48	-	-
	Stage 2	8.50	-	8.50	-	-
	Stage 3	3.94	-	3.94	-	-
Subtotal		871.91	-	871.91	-	-
Total	Stage 1	27,937.60	89.93	27,847.67	120.72	(30.80)
	Stage 2	2,883.82	226.60	2,657.22	139.37	87.23
	Stage 3	627.30	167.78	459.52	186.65	(18.87)
	Total	31,448.72	484.31	30,964.41	446.74	37.56

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(Currency : Indian rupees in millions)

54. Regulatory disclosures

(xxxi) *Overseas Assets*

The Company do not hold any Overseas Assets; (Previous Year Nil).

(xxxii) *Off-balance Sheet SPVs sponsored - None (Previous Year: None)*

(xxxiii) **Disclosure of complaints**

a) Customer complaints

Particular			As at March 31, 2023	As at March 31, 2022
1	No. of complaints pending at the beginning of the year		2	5
2	No. of complaints received during the year		254	312
3	No. of complaints disposed during the year		255	315
	3.1	Of which,number of complaints rejected by NBFC/HFC		
4	No. of complaints pending at the end of the year		1	2
	Maintanable complaints received by the NBFC/HFC from Office of NHB			
5.*	Number of maintanable complaints received by the HFC from Office of NHB		NA	NA
	5.1	Of 5, number of complaints resolved in favour of the HFC by Office of NHB	NA	NA
	5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of NHB	NA	NA
	5.3	Of 5, number of complaints resolved after passing of Awards by Office of NHB against the NBF	NA	NA
6.*	Number of Awards unimplemented within the stipulated time (other than those appealed)		NA	NA

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman (NHB) Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme.
* It shall only be applicable to NBFCS which are included under The Reserve Bank - Integrated Ombudsman (NHB) Scheme, 2021

b) Top five grounds 2* of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% Increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
			March 31, 2023		
Ground - 10					
Ground - 10) A)**	0	15	21.76	0	0
Ground - 10) B)**	0	7	-17.59	0	0
Ground - 10) C)**	0	2	-4.17	0	0
Total					
			March 31, 2022		
Ground - 10					
Ground - 10 (A)**	0	11		0	0
Ground - 10 (B)**	0	9		0	0
Ground - 10 (C)**	2	20		0	0
Total					

The list of grounds of complaints given below are.			
	1. Credit Cards	*2. Difficulty in operation of accounts*	*3. Mis-selling*
	5. Loans and advances	*6. Levy of charges without prior notice/ excessive charges/ foreclosure charges*	*7. Non-observance of fair practices code*
	8. Staff behaviour	*9. Facilities for customers visiting the office/ adherence to prescribed working hours, etc.*	*10. Others* **

Note:- The above prescribed grounds are not applicable for Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)

** Ground 10 (A) - Collections & Legal Related
Ground 10 (B) - Government Scheme-PMAY Subsidy
Ground 10 (C) - Government Scheme-Covid Moratorium

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Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)
Notes to the financial statements (Continued)
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(xxxiv) *Company Information*

The Company has its operations in India and it does not have any joint venture partners with regard to Joint ventures and overseas subsidiaries as at and for the year ended March 31, 2023 and March 31, 2022.

(xxxv) *Details of transaction with non executive directors*

Name of the Director	Nature of Transaction	For the year ended March 31, 2023	For the year ended March 31, 2022
Gautam Chatterjee	Sitting fees	0.46	0.08
Biswamohan Mahapatra	Sitting fees	0.55	0.32
Sunil Phatarphekar	Sitting fees	0.42	0.28
Mr. P N Venkatachalam (Cessation June 17, 2021)	Sitting fees	NA	0.14

(xxxvi) Registration/License obtained from other financial sector regulators - Nil (Previous year Nil).

(xxxvii) The Company has not postponed revenue recognition on any item during the current year (Previous year Nil).

(xxxviii) Disclosure of penalties imposed by NHB and other regulators - Nil (Previous year Nil).

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54. In accordance with the instructions in the RBI circular dated April 7, 2021, all lending institutions shall refund / adjust 'interest on interest' to all borrowers including those who had availed working capital facilities

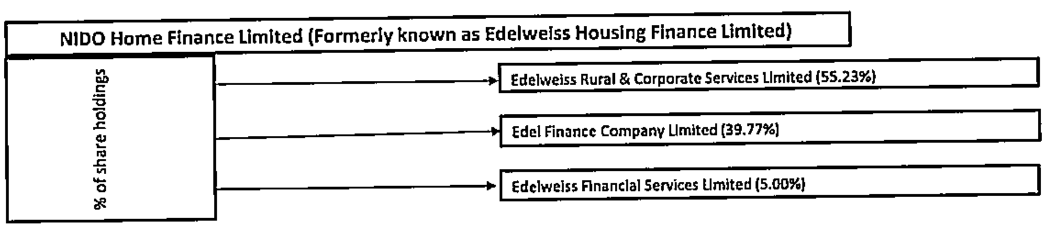
(xxxix) Details of Resolution plan implemented under the Resolution Framework for COVID-19 related stress as per circular dated August 6, 2020.

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	85.90	11.71	0.61	1.25	72.33
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	85.90	11.71	0.61	1.25	72.33

**As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016*

(xxxxx) There are no amount due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2023 (Previous Year Nil)

(xxxxxi) Diagrammatic representation of group structure given below:



Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)
Notes to the financial statements (Continued)
(Currency : Indian rupees in millions)

(xxxxii) (a) Composition of the Board

As at March 2023

SL No.	Name of Directors	Director Since	Capacity (i.e. Executive/Non-Executive/Chairman/ Promoter nominee/ Independent)	DIN	Number of Board Meetings		No. of other Director Ships	Remuneration			No.of shares held in and convertible instruments held in the NBFC
					Held	Attended		Salary and other Compensation	Sitting fee	Commission	
1	Mr. Rajat Avasthi	23-09-2020	MD&CEO	07969623	6	5	Nil	26.07	-	-	-
2	Mr. Sunil Phatarphekar	13-04-2020	Independent Director	00005164	6	5	4		0.42	-	-
3	Mr. Biswamohan Mahapatra	29-10-2020	Independent Director	06990345	6	6	6		0.55	-	-
4	Mr. Gautam Chatterjee	16-09-2021	Independent Director	02464197	6	6	2		0.46	-	-
5	Mr. Deepak Mittal	14-10-2019	Non Executive Director	00010337	6	6	3	0	-	-	-
6	Ms. Shama Asnani	25-01-2023	Non Executive Director	09774021	1	1	Nil	0	-	-	-
7	Ms. Shilpa Gattani	23-09-2020	Non Executive Director	05124763	4	3	-	0	-	-	-
8	Mr. Phanindranath Kakarla	02-03-2021	Non Executive Director	02076676	4	4	-	0	-	-	-

Details of change in composition of the Board during the current and previous financial

As at March 2022

SL No.	Name of Directors	Director Since	Capacity (i.e. Executive/Non-Executive/Chairman/ Promoter nominee/ Independent)	DIN	Number of Board Meetings		No. of other Director Ships	Remuneration			No.of shares held in and convertible instruments held in the NBFC
					Held	Attended		Salary and other Compensation	Sitting fee	Commission	
1	Mr. Rajat Avasthi	23-09-2020	MD&CEO	07969623	6	6	Nil	21.66	-	-	-
2	Mr. Sunil Phatarphekar	13-04-2020	Independent Director	00005164	6	6	4	-	0.24	-	-
3	Mr. Biswamohan Mahapatra	29-10-2020	Independent Director	06990345	6	5	6	-	0.32	-	-
4	Mr. Gautam Chatterjee	16-09-2021	Independent Director	02464197	3	3	2	-	0.06	-	-
5	Mr. Deepak Mittal	14-10-2019	Non Executive Director	00010337	6	6	3	-	-	-	1 as nominee of EFSL
6	Ms. Shilpa Gattani	23-09-2020	Non Executive Director	05124763	6	6	1	-	-	-	-
7	Mr. Phanindranath Kakarla	02-03-2021	Non Executive Director	02076676	6	6	1	-	-	-	-
8	Mr. P N Venkatachalam	15-02-2015	Independent Director	00499442	1	1	-	-	0.14	-	-
9	Mr. Deepak Mundra	02-03-2021	Non Executive Director	06733120	3	2	-	-	-	-	-

(a) i Change in composition of the Board.

As at March ,2023					As at March ,2022				
SL No.	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (resignation, appointment)	Effective Date	SL No.	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (resignation, appointment)	Effective Date
1	Ms. Shilpa Gattani	Non Executive Director	Resignation	01-11-2022	1	Mr. Deepak Mundra	Non Executive Director	Resignation	13-10-2021
2	Mr. Phanindranath Kakarla	Non Executive Director	Resignation	01-11-2022	2	Mr. P N Venkatachalam	Independent Director	Cessation	17-06-2021
3	Ms. Shama Asnani	Non Executive Director	Appointment	25-01-2023					

Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)
Notes to the financial statements (Continued)
(Currency : Indian rupees in millions)

b) Committees of the Board and their composition

1. Audit Committee

SL No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee #		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Biswamohan Mahapatra	12-02-2021	Chairman and Independent Director	5	5	NIL
2	Mr. Sunil Phatarphekar	13-04-2020	Independent Director	5	4	NIL
3	Mr. Gautam Chatterjee	28-01-2022	Independent Director	5	5	NIL
4	Mr. Deepak Mittal*	13-02-2020	Non-Executive Director	2	2	NIL
5	Ms. Shilpa Gattani^	12-02-2021	Non-Executive Director	3	2	NIL

No of meetings held during the tenure of the Member in the Committee in FY 2022-23.
* Mr. Deepak Mittal was appointed as Member of the Audit Committee effective November 1, 2022.
^ Ms. Shilpa Gattani resigned as Director of the Company effective close of business hours on November 1, 2022.

2. Corporate Social Responsibility (CSR) Committee

SL No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee #		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Sunil Phatarphekar	02-06-2020	Independent Director	2	2	NIL
2	Mr. Gautam Chatterjee	27-10-2021	Independent Director	2	2	NIL
3	Mr. Rajat Avasthi	04-08-2021	Managing Director & CEO	2	2	NIL
4	Mr. Deepak Mittal	03-01-2020	Non-Executive Director	2	1	NIL

No of meetings held during the tenure of the Member in the Committee in FY 2022-23.

3. Nomination and Remuneration Committee

SL No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee #		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Sunil Phatarphekar	13-04-2020	Chairman and Independent Director	3	2	NIL
2	Mr. Biswamohan Mahapatra	12-02-2021	Independent Director	3	3	NIL
3	Mr. Deepak Mittal	13-02-2020	Non-Executive Director	3	3	NIL

No of meetings held during the tenure of the Member in the Committee in FY 2022-23.

4. Risk Management Committee

SL No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee #		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Deepak Mittal	11-11-2019	Chairman and Non-Executive Director	5	5	NIL
2	Mr. Biswamohan Mahapatra	12-02-2021	Independent Director	5	4	NIL
3	Mr. Rajat Avasthi	13-08-2019	Managing Director & CEO	5	5	NIL
4	Mr. Tushar Kotecha	31-01-2019	Executive	5	5	NIL
5	Mr. Umesh Wadhwa	31-01-2019	Executive	5	4	
6	Mr. Nilesh Kumar Jain	25-10-2018	Executive	5	5	NIL

No of meetings held during the tenure of the Member in the Committee in FY 2022-23.

5. Stakeholders Relationship Committee

SL No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee #		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Sunil Phatarphekar	04-08-2021	Chairman and Independent Director	1	1	NIL
2	Mr. Gautam Chatterjee ^	27-10-2021	Independent Director	1	1	NIL
3	Mr. Deepak Mittal	03-01-2020	Non-Executive Director	1	1	NIL
4	Mr. Rajat Avasthi	04-06-2021	Executive	1	1	NIL
5.	Ms. Shilpa Gattani^^	29-10-2020	Non-Executive Director	1	1	NIL

No of meetings held during the tenure of the Member in the Committee in FY 2022-23.
^ Appointed as Member of Stakeholders Relationship Committee effective October 27, 2021
^^ Ms. Shilpa Gattani ceased to be a member of the Committee effective November 1, 2022.

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Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited)

(Currency : Indian rupees in millions)

6. IT Strategy Committee

SL No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee #		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Biswamohan Mahapatra	04-08-2021	Independent Director	2	2	NIL
2	Mr. Gautam Chatterjee	27-10-2021	Independent Director	2	2	NIL
3	Mr. Deepak Mittal	11-11-2019	Non-Executive Director	2	1	NIL
4	Mr. Rajat Avasthi	02-06-2020	Managing Director & CEO	2	2	NIL
5	Mr. Phanindranath Kakarla *	04-08-2021	Non-Executive Director	0	0	NIL
6	Mr. Tushar Kotecha^	06-05-2022	Chief Financial Officer	2	1	NIL
7	Mr. Pankaj Maduskar	23-01-2019	Executive	2	2	NIL
8	Mr. Krishanu Ray	12-02-2021	Executive	1	1	NIL
9	Mr. Ajeet Lodha	02-06-2020	Executive	2	1	NIL
10	Mr. Vivek Agarwal^	06-05-2022	Executive	2	2	NIL

No of meetings held during the tenure of the Member in the Committee in FY 2022-23.
^ Mr. Tushar Kotecha and Mr. Vivek Aggarwal were appointed as Members of the Committee effective May 6, 2022.
* Mr. Phanindranath Kakarla ceased to be a Member of the Committee effective May 6, 2022

7. Asset Liability Management Committee

SL No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee #		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Rajat Avasthi	25-10-2018	Chairman and Managing Director & CEO	7	7	NIL
2	Mr. Deepak Mittal	11-11-2019	Non-Executive Director	7	3	NIL
3	Ms. Shilpa Gattani*	29-10-2020	Non-Executive Director	4	3	NIL
4	Mr. Ajeet Lodha	29-10-2020	Executive	7	7	NIL
5	Mr. Tushar Kotecha	28-01-2022	Executive	7	5	NIL

No of meetings held during the tenure of the Member in the Committee in FY 2022-23.
* Ms. Shilpa Gattani ceased to be Members of the Committee effective November 1, 2022.

8. Lending Committee

SL No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee #		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Gautam Chatterjee	19-01-2023	Independent Director	0	0	NIL
2	Mr. Rajat Avasthi	19-01-2023	Managing Director & CEO	0	0	NIL
3	Ms. Shama Asnani	25-01-2023	Non-Executive Director	0	0	NIL

No of meetings held during the tenure of the Member in the Committee in FY 2022-23.

c) **General Body Meetings**

Details of the date, place and special resolutions passed at the General Body Meetings.

SL No.	Type of Meeting (Annual/ Extra-Ordinary)	Date and Place	Special resolutions passed
1	Annual General Meeting	30th May 2022 / Mumbai	Yes
2	Extra-Ordinary General Meeting	29th March 2023 / Mumbai	Yes

(xxxxxiii) The HFC has NIL cases non-compliance with requirements of Companies Act, 2013 including with respect to compliance with accounting and secretarial standards.

(xxxxxiv) **Breach of covenant**

HFCs has not breached of covenant of loan availed or debt securities issued during the Year

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(Currency : Indian rupees in millions)

(xxxxxv) Divergence in Asset Classification and Provisioning

There are no additional provisioning requirements assessed by RBI or NHB which exceeds 5 percent of the reported profits before tax and impairment loss on financial instruments and also the there is no additional Gross NPAs identified by RBI/NHB which exceeds 5 per cent of the reported Gross NPAs for FY 2022-23.

(xxxxxvi) Sectoral exposure

Sectors	Current Year			Previous Year		
	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ crore)	Gross NPAs (₹ crore)	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ crore)	Gross NPAs (₹ crore)	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities					-	
2. Industry						
i....	-	-	-	-	-	-
ii....	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total of Industry (i+ii+...+Others)	-	-	-	-	-	-
3. Services	-	-	-	-	-	-
i...	-	-	-	-	-	-
ii...	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total of Services (i+ii+...+Others)	-	-	-	-	-	-
4. Personal Loans						
Housing Loan	21,053.04	459.06	2.18%	19,994.85	327.32	1.64%
Non Housing Loan	9,639.01	128.47	1.33%	11,453.87	299.94	2.62%
Other	-	-	-	-	-	-
Total of Services (i+ii+...+Others)	30,692.05	587.53	1.91%	-	-	-
5. Others, if any (please specify)	-	-	-	-	-	-

(xxxxxvii) Intra-group exposures

Particular	As on March, 2023	As on March, 2022
i) Total amount of intra-group exposures	624.93	16.60
ii) Total amount of top 20 intra-group exposures	624.93	16.60
iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	1.97%	0.05%

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(xxxxviii) Realted Party Disclosure

Related party	Parent (as per ownership or control)		Subsidiaries		Associates/Joint Ventures		Key Management Personnel		Relatives of Key Management Personnel		Others		Total	
Items	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
Transaction During the year	-	-	-	-	-	-	-	-	-	-			-	-
													-	-
Loans and Advances (Note:1)	-	-	-	-	-	-	-	-	-	-	600.00	-1,000.00	600.00	- 1,000.00
Loans and Advances (Maximum during the year)	1,300.00	-	-	-	-	-	-	-	-	-	5,450.00	2,250.00	6,750.00	2,250.00
Non Funded Commitment issued	950.00	950.00	-	-	-	-	-	-	-	-	-	-	950.00	950.00
Non Funded Commitment issued (Maximum during the year)	950.00	950.00	-	-	-	-	-	-	-	-	-	-	950.00	950.00
Loan Portfolio under Direct assignment	-	-	-	-	-	-	-	-	-	-	1,998.46	1,288.60	1,998.46	1,288.60
Interest Income on loan to	122.70	93.46	-	-	-	-	-	-	-	-	148.58	90.94	271.28	184.40
Others	51.63	169.72	-	-	-	-	40.85	32.38	-	-	581.73	5,670.06	674.21	5,872.16
													-	-
Balances with related party	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non convertible debentures held by (Face value)	-	-	-	-	-	-	-	-	-	-	85.44	41.76	85.44	41.76
Short term loan given to	-	-	-	-	-	-	-	-	-	-	600.00	-	600.00	-
Interest Income accrued on loan to	-	9.26	-	-	-	-	-	-	-	-	24.93	7.38	24.93	16.64
Security Deposit Placed (Rental)	-	-	-	-	-	-	-	-	-	-	28.39	-	28.39	-
Investment in Security Receipts issued by (Book Value)	-	-	-	-	-	-	-	-	-	-	1,522.62	2,012.98	1,522.62	2,012.98
Corporate Guarantee taken from	1,353.24	1,612.82	-	-	-	-	-	-	-	-	1,329.69	1,604.62	2,682.93	3,217.44
Corporate Guarantee Given to	-	950.00	-	-	-	-	-	-	-	-	-	-	-	950.00
Others	11.00	31.40	-	-	-	-	-	-	-	-	1,868.08	2,283.61	1,879.08	2,315.02

Disclosures - NBFCs shall, in addition to the existing regulatory disclosures, disclose the following in their Annual Financial Statements, with effect from March 31, 2023:
i) Corporate Governance report containing composition and category of directors, shareholding of non-executive directors, etc
ii) Disclosure on modified opinion, if any, expressed by auditors, its impact on various financial items and views of management on audit qualifications
iii) Items of income and expenditure of exceptional nature
iv) Breaches in terms of covenants in respect of loans availed by the NBFC or debt securities issued by the NBFC including incidence/s of default
v) Divergence in asset classification and provisioning above a certain threshold to be decided by the Reserve Bank

(Currency : Indian rupees in millions)

(xxxxix) Principal Business Criteria for the Company to be classified as "Housing Finance Company" as per the Paragraph 4.1.17 of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21, 17 February, 2021(Amended as on 27 Dec 2022) is given below.

	31 March 2023*	31 March 2022
Percentage of total assets towards housing finance	55.74%	50.59%
Percentage of total assets towards housing finance for individuals	45.43%	45.41%

*Minimum regulatory percentage to be complied from 31 March, 2023 onwards for housing to individual 40% and towards housing finanace 50%

(a) It is an NBFC whose financial assets, in the business of providing finance for housing, constitute at least 60% of its total assets (netted of by intangible asstes).

(b) Out of the total assets (netted off by intangible assets), not less than 50% should be by way of housing financing for individual.

(xxxxxx) Company does not have any exposure to group companies engaged in real estate business during the current and previous year.

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Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)
Notes to the financial statements (Continued)
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55. Figures of the previous year have been regrouped / reclassified wherever necessary to conform to current year presentation.

As per our report of even date attached.

For NGS & Co. LLP
Chartered Accountants
Firm's Registration No. 119850W

NGS & CO. LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

R.P.Soni
Partner
Membership No. 104796

For and on behalf of the Board of Directors
Nido Home Finance Limited (Formaly known as Edelweiss Housing Finance Limited)

Rajat Avasthi
MD & CEO
DIN: 07969623

Biswamohan Mahapatra
Director
DIN: 06990345

Tushar Kotecha
Chief Financial Officer

Girish Manik
Company Secretary
Membership No.A26391

Place : Mumbai
Date : May 08, 2023

Independent Auditors' Report

To the Members of Edelweiss Housing Finance Limited
Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **Edelweiss Housing Finance Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its Profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India (the 'ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Emphasis of matter

We draw your attention to Note 46.1(j) to the Financial Statement, which describes the economic and social disruption as a result of COVID-19 pandemic of the company's business and financial metrics including the company's estimates of impairment of loans to customers and investments which are highly dependent on uncertain future developments. Our opinion as not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS Financial Statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS Financial Statements. The results of our audit procedures including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS Financial Statements.

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Key audit matters	How our audit addressed the key audit matter
Impairment of financial instruments (including provision for expected credit losses) (as described in note 46.1 of the standalone Ind AS Financial Statements)	
Ind AS 109: Financial Instruments ("Ind AS 109") requires the Company to provide for impairment of its financial instruments using the expected credit loss ('ECL') approach involving an estimation of probability of loss on the financial instruments over their life, considering reasonable and supportable information about past events, current conditions and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. In the process, a significant degree of judgement has been applied by the management in respect of following matters: • Defining qualitative/quantitative thresholds for 'significant increase in credit risk' ("SICR") and 'default'. • Estimation of losses in respect of loans or groups of loans which had no/ minimal defaults in the past. • Grouping of borrowers based on homogeneity by using appropriate statistical techniques. • Staging of loans and estimation of behavioral life. • Determining macro-economic factors impacting credit quality of receivables. The Company has developed models that derive key assumptions used within the provision calculation such as probability of default (PD) and loss given default (LGD). The output of these models is then applied to the provision calculation with other information including the exposure at default (EAD). **Additional considerations on account of COVID-19** Measures have been taken by the Government and the Reserve Bank to ease the burden on businesses from hardships caused by Covid-19 pandemic pursuant to the Reserve Bank of India ("RBI") circular dated August 6, 2020 for "Micro, Small and medium Enterprises (MSME) sector – Restructuring of Advances" and "Resolution Framework for COVID-19 related stress" allowing	• Our audit procedures included considering the Company's accounting policies for impairment of financial instruments and assessing compliance with the policies in terms of Ind AS 109 and with the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on March 13, 2020 ("RBI Guidelines"). • Tested the assumptions used by the Company for grouping and staging of loan portfolio into various categories. • Tested the operating effectiveness of the controls for staging of loans based on their past-due status. Tested a sample of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under stage 2 or 3. • Assessed the additional considerations applied by the management for staging of loans as SICR. • Tested the ECL model, including assumptions and underlying computation. Tested the input data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records. • Performed inquiries with the Company's management and its risk management function to assess the impact of CoVID-19 on the business activities of the Company. • Tested assumptions used by the management in determining the overlay for macro-economic factors (including CoVID-19 pandemic). • Tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets. • Test checked the basis of collateral valuation in the determination of ECL provision. • Compared the disclosures included in the Ind AS Financial Statements in respect of expected credit losses with the requirements of Ind AS 107 and 109. Reviewed specific disclosures made in the Ind AS financial statements with regards to the impact of CoVID-19 on ECL estimation.

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lending institutions to implement a resolution plan in respect of its eligible exposures, subject to specified conditions. In accordance with the guidance in Ind AS 109, the management overlay estimate takes into account reasonably and supportable information without incurring significant cost. The actual credit losses for the next 12 months could be significantly different than the ECL estimates prepared by the Company depending upon the impact and duration of the pandemic and various regulatory and policy measures announced by the Government. Given the high degree of management's judgement involved in estimation of ECL, it is an area of material uncertainty and a key audit matter.	

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Ind AS Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exereise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, ineluding any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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Other Matter

The Comparative Ind AS financial statements of the Company for the year ended March 31, 2021, included in these standalone Ind AS financial Statement, have been audited by the predecessor auditor, who issued unmodified opinion on those financial statements on June 4, 2021.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act; and

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact its financial position;

      ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

      iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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iv. a) The management has represented to us that, to the best of its knowledge and belief, as disclosed in the note 53(vii)(a) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiary") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiary;

b) The management has represented to us that, to the best of its knowledge and belief, as disclosed in the note 53(vii)(b) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

For NGS & Co. LLP
Chartered Accountants
Firm Registration No. 119850W

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

R. P. Soni
Partner
Membership No.:104796

UDIN: 22104796AINOAR5524

Place: Mumbai
Date: 06 May 2022

Annexure A to the Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of Edelweiss Housing Finance Limited ('the Company') on the financial statements for the year ended March 31, 2022, we report that:

(i) (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(a)(B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) The Company has a regular programme of physical verification of its property, plant and equipment by which all the property, plant and equipment are verified in a phased manner over a period of three years. In our opinion this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management and on the basis of our examination of the records of the Company, the title deed of immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements is held in the name of the Company.

(d) According to the information and explanations given by the management, the Company has not revalued its Property, Plant and Equipment (including Right of use assets) and intangible assets during the year ended March 31, 2022.

(e) According to the information and explanations given by the management, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company's business does not involve inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.

(b) As disclosed in note 20(ii) to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

(iii) (a) In our opinion and according to the information and explanations given to us, Company being a non-banking financial company the provisions of clause 3(iii)(a) are not applicable to the Company and hence not commented upon.

(b) According to the information and explanations given by the management and on the basis of our examination of the records of the Company, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided during the year to companies, firms, Limited Liability Partnerships and other parties are not prejudicial to the Company's interest.

(c) In respect of loans and advances in the nature of loans, granted by the Company as part of its business, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Having regard to the voluminous nature of loan transactions, it is not practicable to furnish entity-wise details of amount, due date for repayment or receipt and the extent of delay (as suggested in the Guidance Note on CARO 2020, issued by the Institute of Chartered Accountants of India for reporting under this clause) in this report, in respect of loans and advances which were not repaid / paid when they were due or were repaid / paid with a delay, in the normal course of lending business.

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Further, except for those instances where there are delays or defaults in repayment of principal and / or interest as at the balance sheet date, in respect of which the Company has disclosed asset classification / staging of loans in note 10.1(a) to the financial statements in accordance with Indian Accounting Standards (Ind AS) and the guidelines issued by the Reserve Bank of India, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.

(d) In respect of loans and advances in the nature of loans, the total amount overdue for more than ninety days as at March 31, 2022 and the details of the number of such cases, are disclosed in note 10.1(a) to the financial statements. In such instances, in our opinion, reasonable steps have been taken by the Company for recovery of the overdue amount of principal and interest.

(e) Company being a Housing Financial Company the provisions of clause 3(iii)(e) are not applicable to the Company and hence not commented upon.

(f) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantee and securities granted in respect of which the provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) According to the information and explanations given by the management, the Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) To the best of our knowledge, the Company is not in the business of sale of any goods or provision of such services as prescribed u/s 148 (1) of Companies Act, 2013. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employee state insurance, income-tax, service tax, goods and service tax, cess and other material statutory dues, applicable to it, have generally been regularly deposited during the year by the Company with the appropriate authorities. The provisions relating to duty of excise, duty of custom, sales tax, value added tax and cess are not applicable to the Company.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee state insurance, income-tax, service tax, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, there are no dues of provident fund, employee state insurance, income tax, service tax, goods and service tax and cess which have not been deposited with the appropriate authorities on account of any dispute. The provisions relating to duty of excise, duty of custom, sales tax, value added tax and cess are not applicable to the Company.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

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(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared willful defaulter by any bank or financial institution or other lender.

(c) In our opinion and according to the information and explanations given to us, no money has been obtained by way of term loans during the year.

(d) In our opinion and on an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partially or optionally convertible) during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that no fraud by the Company has been notice or reported during the year. However, in case of fraud on the Company, the Company has identified and reported 3 criminal frauds amounting to Rs. 29.75 million where the forged documents were submitted by the borrowers.

(b) According to the information and explanations given to us, during the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor, predecessor auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) to 3(xii)(c) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

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(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

(b) The Company has valid Certificate of Registration (CoR) from the National Housing Bank as per the National Housing Bank Act, 1987 for conducting Housing Finance activities.

(c) Based on our examination, the Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(d) According to the information and explanations given by the management, the Group has one Core Investment Company as part of the Group.

(xvii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not incurred cash losses in the current financial year and immediately preceding financial year.

(xviii) According to the information and explanations given to us and on the basis of our examination of the records, the previous statutory auditors of the Company have resigned during the year to comply with the instruction as specified in Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021 issued by Reserve Bank of India (the "RBI Guidelines") and there were no issues, objections or concerns raised by the outgoing auditors.

(xix) On the basis of the financial ratios disclosed in note 53 (iii) to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no unspent amounts in respect of other than ongoing projects, that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 35.2 to the financial statements.

(b) According to the information and explanations given to us, there are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 35.2 to the financial statements.

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(xxi) The Report is part of standalone financials of the Company hence the requirement to report on clause 3(xxi) of the Order is not applicable to the Company.

For NGS & Co. LLP
Chartered Accountants
Firm Registration No. 119850W

R. P. Soni
Partner
Membership No.:104796

UDIN: 22104796AINOAR5524

Date: 06 May 2022
Place: Mumbai

Annexure B to the Auditors' Report

Annexure B the Independent Auditor's report of even date on the financial statements of Edelweiss Housing Finance Limited ("the Company")

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Edelweiss Housing Finance Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

NGS & CO. LLP
MUMBAI
CHARTERED ACCOUNTANTS

Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For NGS & Co. LLP
Chartered Accountants
Firm Registration No. 119850W

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

R. P. Soni
Partner
Membership No.:104796

UDIN: 22104796AINOAR5524

Date: 06 May 2022
Place: Mumbai

Edelweiss Housing Finance Limited
Balance Sheet as at March 31, 2022
(Currency : Indian rupees in millions)

	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Financial assets			
Cash and cash equivalents	6	**2,929.57**	9,455.81
Bank balances other than cash and cash equivalents	7	**2,072.78**	835.30
Securities held for trading	8	**-**	155.83
Trade receivables	9	**56.78**	104.02
Loans	10	**30,964.41**	35,958.59
Investments	11	**2,618.06**	1,600.86
Other financial assets	12	**571.82**	916.75
		39,213.42	49,027.16
Non-financial assets			
Current tax assets (net)	13	**113.67**	21.86
Property, plant and equipment	15	**128.32**	118.28
Intangible assets under development	16	**17.35**	7.10
Other intangible assets	16 (a)	**5.11**	2.27
Other non- financial assets	17	**88.72**	134.33
		353.17	283.84
TOTAL ASSETS		**39,566.59**	49,311.00
LIABILITIES			
Financial liabilities			
Trade payables	18		
(i) total outstanding dues of micro enterprises and small enterprises		**5.19**	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		**141.32**	72.28
Debt securities	19	**7,935.92**	11,676.75
Borrowings (other than debt securities)	20	**14,485.73**	22,628.38
Subordinated liabilities	21	**508.63**	508.61
Other financial liabilities	22	**8,549.48**	6,709.79
		31,626.27	41,595.81
Non-financial liabilities			
Current tax liabilities (net)	23	**5.68**	16.90
Provisions	24	**43.98**	37.62
Deferred tax liabilities (net)	14	**71.81**	9.18
Other non-financial liabilities	25	**42.53**	23.61
		164.00	87.31
Equity			
Equity share capital	26	**693.50**	693.50
Other equity	27	**7,082.82**	6,934.38
		7,776.32	7,627.88
TOTAL LIABILITIES AND EQUITY		**39,566.59**	49,311.00

The accompanying notes are an integral part of the financial statements. 1 to 56

As per our report of even date attached.

For NGS & Co. LLP
Chartered Accountants
ICAI Firm Registration Number : 119850W

For R.P.Soni
Partner
Membership No. 104796

Place : Mumbai
Date : May 06, 2022

For and on behalf of the Board of Directors
Edelweiss Housing Finance Limited

Rajat Avasthi
MD & CEO
DIN: 07969623

Shilpa Gattani
Director
DIN: 05124763

Tushar Kotecha
Chief Financial Officer

Girish Manik
Company Secretary
Membership No. A26391

NGS & CO. LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Edelweiss Housing Finance Limited ★ Mumbai

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Edelweiss Housing Finance Limited
Statement of Profit and Loss for the year ended March 31, 2022
(Currency : Indian rupees in millions)

		Note	For the year ended March 31, 2022	For the year ended March 31, 2021
I.	**Revenue from operations**			
	Interest income	28	**4,453.13**	5,026.66
	Dividend income		**-**	1.80
	Fee and commission income	29	**580.70**	341.46
	Net gain on fair value changes	30	**86.33**	117.25
	Total Revenue from operations		**5,120.16**	5,487.17
II.	**Other income**	31	**18.94**	23.37
III.	**Total Income**		**5,139.10**	5,510.54
IV.	**Expenses**			
	Finance costs	32	**3,275.68**	3,892.83
	Impairment on financial instruments	33	**426.39**	511.40
	Employee benefits expense	34	**663.11**	558.02
	Depreciation, amortisation and impairment	15 & 16 (a)	**40.16**	56.40
	Other expenses	35	**531.94**	572.61
	Total expenses		**4,937.28**	5,591.26
V.	**Profit/(Loss) before tax**		**201.82**	(80.72)
VI.	Tax expenses:			
	Current tax	36.1 & 36.2	**1.15**	(51.25)
	Current tax		**12.89**	39.21
	Short / (Excess) provision for earlier years		**(11.74)**	(90.46)
	Deferred tax	36.3	**62.60**	(66.76)
VII.	**Profit for the year**		**138.07**	37.29
	Other Comprehensive Income			
	Items that will not be reclassified to profit or loss			
	Remeasurement gain / (loss) on defined benefit plans	40	**0.12**	(2.95)
	Less: Income tax relating to items that will not be reclassified to profit or loss	36.3	**(0.03)**	0.74
	Other Comprehensive Income / (loss)		**0.09**	(2.21)
	Total Comprehensive Income		**138.16**	35.08
	Earnings per equity share (In Rs) (Face value of Rs. 10 each):			
	(a) Basic	38	1.99	0.54
	(b) Diluted		1.99	0.54

The accompanying notes are an integral part of the financial statements. 1 to 56

As per our report of even date attached.

For NGS & Co. LLP
Chartered Accountants
ICAI Firm Registration Number : 119850W

For R.P.Soni
Partner
Membership No. 104796

Place : Mumbai
Date : May 06, 2022

For and on behalf of the Board of Directors
Edelweiss Housing Finance Limited

Rajat Avasthi
MD & CEO
DIN: 07969623

Shilpa Gattani
Director
DIN: 05124763

Tushar Kotecha
Chief Financial Officer

Girish Manik
Company Secretary
Membership No. A26391

NGS & CO. LLP CHARTERED ACCOUNTANTS MUMBAI

Edelweiss Housing Finance Limited Mumbai

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Edelweiss Housing Finance Limited
Statement of Cash flows for the year ended March 31, 2022
(Currency : Indian rupees in millions)

		For the year ended March 31, 2022	For the year ended March 31, 2021
A	**Cash flow from operating activities**		
	Profit/(Loss) before tax	**201.82**	(80.72)
	Adjustments for		
	Depreciation, amortisation and impairment	**40.16**	56.40
	Impairment on financial instruments	**426.39**	511.40
	Interest on lease liabilities	**12.79**	14.88
	ESOP and SAR cost reimbursement	**4.40**	-
	Loss /(Gain) on sale of fixed assets	**0.45**	7.76
	Operating cash flow before working capital changes	**686.01**	509.72
	Add / (Less): Adjustments for working capital changes		
	Decrease/(Increase) in Receivables	**45.24**	(49.49)
	Decrease/(Increase) in Stock in trade	**155.83**	(155.83)
	Decrease/(Increase) in Receivables from financing business (net)	**4,569.79**	6,734.56
	Decrease/(Increase) in Other financial assets	**(886.67)**	(767.81)
	Decrease/(Increase) in Investments	**(1,017.20)**	(556.13)
	Decrease/(Increase) in Other non financial assets	**45.61**	(80.65)
	Increase / (Decrease) in Trade payables	**74.23**	(13.09)
	Increase / (Decrease) in Non financial liabilities and provisions	**25.37**	(26.85)
	Increase / (Decrease) in Other financial liability	**(821.41)**	896.52
	Cash flow from operations	**2,876.80**	6,490.95
	Income taxes paid (Net)	**(104.18)**	(52.36)
	Net cash generated from operating activities -A	**2,772.62**	6,438.59
B	**Cash flow from investing activities**		
	Purchase of Property, plant and equipment and Intangible assets	**(4.16)**	(4.14)
	Decrease/(Increase) in Capital Work-in-progress and Intangibles under	**(14.06)**	(5.65)
	Sale of Property, plant and equipment	**0.75**	2.78
	Net cash generated from / (used in) investing activities - B	**(17.47)**	(7.01)
C	**Cash flow from financing activities**		
	Increase / (Decrease) in Debt securities [1]	**(3,561.85)**	1,793.02
	Increase / (Decrease) in Borrowings other than debt securities [1]	**(8,171.95)**	(5,360.01)
	Securitization liability (including loan assigned under PCG scheme)	**2,489.28**	1,700.44
	Repayment of lease obligations	**(36.88)**	(38.38)
	Net cash used in financing activities - C	**(9,281.40)**	(1,904.93)
	Net increase in cash and cash equivalents (A+B+C)	**(6,526.24)**	4,526.65
	Cash and cash equivalent as at the beginning of the year (refer note 6)	9,455.81	4,929.16
	Cash and cash equivalent as at the end of the year (refer note 6)	**2,929.57**	9,455.81
	Operational cash flows from interest		
	Interest paid	**3,065.05**	3,709.48
	Interest received	**4,010.12**	4,259.83

Notes:

1. Cash receipts and payments for transaction in which the turnover is quick, the amounts are large, and the maturities are short are presented on net basis in accordance with Ind AS-7 Statement of Cash Flows.

2. For disclosure relating to changes in liabilities arising from financing activities, refer note 37

3. Cash flow statement has been prepared under indirect method as set out in Ind AS 7 prescribed under the Companies (Indian Accounting Standards) Rules, 2015 under the Companies Act, 2013.

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached.

For NGS & Co. LLP
Chartered Accountants
ICAI Firm Registration Number : 119850W

For R.P.Soni
Partner
Membership No. 104796

Place : Mumbai
Date : May 06, 2022

For and on behalf of the Board of Directors
Edelweiss Housing Finance Limited

Rajat Avasthi
MD & CEO
DIN: 07969623

Shilpa Gattani
Director
DIN: 05124763

Tushar Kotecha
Chief Financial Officer

Girish Manik
Company Secretary
Membership No. A26391

Edelweiss Housing Finance Limited

Statement of Changes in Equity for the year ended March 31, 2022

(Currency : Indian rupees in millions)

(a) Equity share capital

	Outstanding as on April 01, 2020	Issued during the year	Outstanding as on March 31, 2021	Issued during the year	Outstanding as on March 31, 2022
Issued, Subscribed and Paid up (Equity shares of Rs.10 each, fully paid-up)	693.50	-	693.50	-	693.50
	693.50	**0.00**	**693.50**	**0.00**	**693.50**

(b) Other Equity

	Securities Premium Account	Deemed capital contribution - Equity shares	Reserve under section 29C of the National Housing Bank Act, 1987	Debenture redemption reserve	Retained earnings	Total
Balance at April 01, 2020	**4,075.18**	**33.46**	**540.34**	**469.25**	**1,879.01**	**6,997.24**
Profit or loss	-	-	-	-	37.29	37.29
Remeasurement gain / (loss) on defined benefit plans	-	-	-	-	(2.21)	(2.21)
Total Comprehensive Income for the year	-	-	-	-	**35.08**	**35.08**
Deferred tax liability created on opening Reserve under section 29C of the National Housing Bank Act, 1987					(97.94)	(97.94)
Transfers to / from retained earnings	-	-	7.46	(127.93)	120.47	-
Balance at March 31, 2021	**4,075.18**	**33.46**	**547.80**	**341.32**	**1,936.62**	**6,934.38**
Profit or loss	-	-	-	-	138.07	138.07
Remeasurement gain /.(loss) on defined benefit plans	-	-	-	-	0.09	0.09
Total Comprehensive Income for the year	-	-	-	-	**138.16**	**138.16**
Transfers to / from retained earnings	-	-	27.62	(85.07)	57.45	-
Reversal of ESOPs charges on cancellation	-	-	-	-	10.28	10.28
Balance at March 31, 2022	**4,075.18**	**33.46**	**575.42**	**256.25**	**2,142.51**	**7,082.82**

As per our report of even date attached.

For NGS & Co. LLP
Chartered Accountants
ICAI Firm Registration Number : 119850W

For R.P.Soni
Partner
Membership No. 104796

NGS & CO. LLP * MUMBAI * CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors
Edelweiss Housing Finance Limited

Rajat Avasthi
MD & CEO
DIN: 07969623

Shilpa Gattani
Director
DIN: 05124763

Edelweiss Housing Finance Limited * Mumbai

Tushar Kotecha
Chief Financial Officer

Girish Manik
Company Secretary
Membership No. A26391

Place : Mumbai
Date : May 06, 2022

1. Corporate Information:

Edelweiss Housing Finance Limited ('EHFL' or 'the Company') is a public limited company domiciled and incorporated on May 30, 2008 under the provisions of the Companies Act applicable in India. The Company is subsidiary of Edelweiss Rural & Corporate Services Limited. The Company is registered as Housing finance institution (without accepting public deposit) with the National Housing Bank (NHB) under section 29A of the NHB Act, 1987, registration no. is 03.0081.10.

The Company's primary business is providing loan to Retail customers for construction or purchase of residential property, loan against property and loans to real estate developers.

2. Basis of preparation:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

These financial statements have been prepared on a historical cost basis, except for certain financial instruments such as, derivative financial instruments, and other financial instruments held for trading, which have been measured at fair value. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest million, except when otherwise indicated.

2.1 Presentation of financial statements:

The Company presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding expected recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in "Note 41-Maturity Analysis of assets and liabilities".

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Company and or its counterparties

2.2 Functional and Presentation Currency

The financial statements are presented in Indian Rupees (') which is the functional and the presentation currency of the Company and all values are rounded to the nearest Million, except when otherwise indicated.

3. Significant accounting policies

3.1 Recognition of Interest income and Dividend income

3.1.1 Effective Interest Rate (EIR):

Under Ind AS 109 interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument or, when appropriate a shorter period to the gross carrying amount of financial instrument.

The EIR is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various

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stages, and other characteristics of the product life cycle including prepayments penalty interest and charges.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income.

3.1.2 Interest Income:

The company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the EIR to the amortised cost (net of expected credit loss) of the financial asset. If the financial assets cure and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Penal interest income on delayed EMI or pre EMI is recognised on receipt basis.

3.1.3 Fee and Commission Income

Fee and commission income include fees other than those that are an integral part of EIR. The Company recognises the fee and commission income in accordance with the terms of the relevant contracts / agreements and basis the probability of consideration collection.

3.1.4 Dividend Income

Dividend income is recognised when the Company's right to receive dividend is established onthe reporting date.

3.1.5. Other Income

Other Income represents income earned from activities incidental to the business and is recognised when the right to receive income is established as per the terms of the contract. Other ancillary charges are recognized on realisation.

3.2 Financial Instruments:

3.2.1 Date of recognition:

Financial assets and liabilities except for loans and borrowings are initially recognised on the trade date, i.e. the date when Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans are recognised when funds are transferred to the customers' account. The Company recognises borrowings when funds are available for utilisation to the Company.

3.2.2 Initial measurement of financial instruments:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.2.3 Classification and Measurement categories of financial assets and liabilities:

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost
- Fair value through other comprehensive income [FVOCI)

- Fair value through profit or loss [FVTPL]

The Company measures debt financial assets at amortised cost basis the following conditions:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the financial asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL.

Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The changes in carrying value of financial assets is recognised in profit and loss account.

Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The changes in fair value of financial assets is recognised in Other Comprehensive Income.

Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL. The Company measures all financial assets classified as FVTPL at fair value at each reporting date. The changes in fair value of financial assets is recognised in Profit and loss account.

3.3 Financial Assets and Liabilities:

3.3.1 Financial assets held for trading:

The Company classifies financial assets as held for trading when they have been purchased primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which evidence of a recent pattern of short-term profit is taking. Held-for-trading assets are recorded and measured in the balance sheet at fair value. Changes in fair value are recognised in net gain on fair value changes.

3.3.2 Debt securities and other borrowed funds:

The Company measures debt issued and other borrowed funds at Amortised cost at each reporting date. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR.

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3.3.3 Financial Guarantee:

Financial guarantees are contract that requires the Company to make specified payments to reimburse to holder for loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument.

Financial guarantee issued or commitments to provide a loan at below market interest rate are initially measured at fair value and the initial fair value is amortised over the life of the guarantee or the commitment. Subsequently they are measured at higher of this amortised amount and the amount of loss allowance.

3.3.4 Loan Commitments:

Undrawn loan commitments are commitments under which, the Company is required to provide a loan with pre-specified terms to the customer over the duration of the commitment. Un-Cancellable loan commitments are in the scope of the ECL requirements.

3.4 Reclassification of Financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. The Company has not reclassified any of its financial assets or liabilities in current year and previous year.

3.5 Derecognition of financial Instruments:

3.5.1 Derecognition of financial asset

A financial asset (or, where applicable a part of a financial asset or a part of a group of similar financial assets) is derecognised when the rights to receive contractual cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either

- The Company has transferred the rights to receive cash flows from the financial asset or
- It retains the contractual rights to receive the cash flows of the financial asset, but assumed a contractual obligation to pay the cash flows in full without material delay to third party under pass through arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.

- The Company cannot sell or pledge the original asset other than as security to the eventual recipients.

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The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset; or
- The Company has neither transferred nor retained substantially all the risks and rewards of the has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

The Company also derecognises a financial asset, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new financial asset, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

3.5.2 Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid, including modified contractual cash flow recognised as new financial liability, is recognised statement of profit or loss.

3.6 Impairment of financial assets:

The Company records provisions based on expected credit loss model ("ECL") on all loans, other financial assets not measured at FVTPL undrawn loan commitment and financial guarantee contracts, in this section all referred to as "Financial instrument". Equity instruments are not subject to impairment.

ECL is a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original effective interest rate. As ECL considers the amount and timing of payments, a credit loss arises even if the entity expects to be paid in full but later than when contractually due.

Simplified Approach

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its receivables. The provision matrix is based on its historically observed default rates over the expected life of the receivables. However, if receivables contain a significant financing component, the Company chooses as its accounting policy to measure the loss allowance by applying general approach to measure ECL.

General Approach

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For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk (SICR) since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses (12m ECL). The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of an evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The measurement of expected credit losses is a function of the probability of default (PD), loss given default (LGD) (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default (EAD), for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

Company categories its financial assets as follows:

Stage 1 Assets:
Stage 1 assets includes financial instruments that did not have a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month ECL (resulting from default events possible within 12 months from reporting date) are recognised.

Stage 2 Assets:
Stage 2 Assets includes financial instruments that have a significant increase in credit risk since initial recognition For these assets lifetime ECL (resulting from default events possible within 12 months from reporting date) are recognised.

Stage 3 Assets:
Stage 3 Assets are considered credit-impaired the Company recognises the lifetime ECL for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

The expected credit loss on the uncancellable loan commitment is recognised together with the loss allowance for the financial asset.

The Company's product offering includes working capital facilities with a right to Company to cancel and/or reduce the facilities with one day's notice. The Company does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Company's expectations of the customer behaviour, its likelihood of default and the Company's future risk mitigation procedures, which could include reducing or cancelling the facilities.

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3.7 Collateral Valuation:

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit /guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Company's balance sheet. However, the fair value of collateral affects the calculation of ECL. It is generally assessed, at a minimum, at inception and re-assessed on a periodic basis. However, some collateral, for example, securities relating to margin requirements, is assessed on a daily basis.

To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market value are valued using models.

3.8 Collateral Repossessed:

The Company's policy is to determine whether a repossessed asset can be best used for its internal operations or should it sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date , in line with the Company's policy.

In its normal course of business, the Company does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the balance sheet.

3.9 Write-Offs:

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery besides technical write off as per relevant policy.

3.10 Forborne and modified loan:

The Company sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Company considers a loan forborne when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Company would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the Credit Risk Department. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms. It is the Company's policy to monitor forborne loans to help ensure that future payments continue to be likely to occur. Derecognition decisions and classification between Stage 2 and Stage 3 are determined on a case-by-case basis. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset, until it is collected or written off.

3.11 Determination of Fair Value:

The Company measures financial instruments, such as, derivatives at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either;

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

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The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

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

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

Level 3 Financial Instruments:
Those that include one or more unobservable input that is significant to the measurement as whole.
For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

Therefore, the Company applies various techniques to estimate the credit risk associated with its financial instruments measured at fair value, which include a portfolio-based approach that estimates the expected net exposure per counterparty over the full lifetime of the individual assets, in order to reflect the credit risk of the individual counterparties for non-collateralised financial instruments.

The Company evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary based on the facts at the end of the reporting period.

3.12 Leases:

Company as a lessee:

The Company has applied Ind AS 116 using the partial retrospective approach.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right of Use Assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

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Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short term lease

The Company has elected not to recognise right of use asset and lease liabilities for short term leases of property that has lease term of 12 months or less. The Company recognises lease payment associated with these leases as an expense on a straight line basis over lease term.

Company as lessor:

The Company's accounting policy under Ind AS 116 has not changed from the comparative period. As a lessor the Company classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset and classified as an operating lease if it does not.

3.13 Earnings Per Share:

Basic eamings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

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3.14 Retirement and other employee benefit:

3.14.1 Provident fund and National Pension Scheme:

The Company contributes to a recognised provident fund and national pension scheme which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognised in the statement of profit and loss.

3.14.2 Gratuity:

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted. The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method.

Re-measurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Remeasurement are not reclassified to profit or loss in subsequent periods.

3.14.3 Compensated Absences:

The eligible employees of the Company are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Company recognises the charge in the statement of profit and loss and corresponding liability on such non-vesting accumulated leave entitlement based on a valuation by an independent actuary. The cost of providing annual leave benefits is determined using the projected unit credit method.

3.14.4 Equity-settled share-based payments and Stock Appreciation Rights (SARs):

Equity-settled share-based payments to employees are granted by the ultimate parent Company. These are measured by reference to the fair value of the equity instruments at the grant date. These includes Stock Appreciation Rights (SARs) where the right to receive the difference between the SAR price and the market price of equity shares of the ultimate parent Company on the date of exercise, either by way of cash or issuance of equity shares of the ultimate parent Company, is at the discretion of the ultimate parent Company. These are classified as equity settled share based transaction.

The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the 'ESOP reserve'. In cases where the share options granted vest in instalments over the vesting period, the Group treats each instalment as a separate grant, because each instalment has a different vesting period, and hence the fair value of each instalment differs.

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3.15 Property, Plant and Equipment (PPE):

Property plant and equipment is stated at cost excluding the costs of day–to–day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent costs incurred on an item of property, plant and equipment is recognised in the carrying amount thereof when those costs meet the recognition criteria as mentioned above. Repairs and maintenance are recognised in profit or loss as incurred.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives. Depreciation is provided on a written down value basis from the date the asset is ready for its intended use or put to use whichever is earlier. In respect of assets sold, depreciation is provided upto the date of disposal.

As per the requirement of Schedule II of the Companies Act, 2013, the Company has evaluated the useful lives of the respective fixed assets which are as per the provisions of Part C of the Schedule II for calculating the depreciation. The estimated useful lives of the fixed assets are as follows:

Nature of assets	**Estimated useful lives**
Furniture and fixtures	10 years
Vehicles	8 years
Office Equipment	5 years
Computers - Servers and networks	6 years
Computers - End user devices, such as desktops, laptops, etc.	3 years

Leasehold improvements are amortised on a straight-line basis over the estimated useful lives of the assets or the period of lease whichever is earlier.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The carrying amount of those components which have been separately recognised as assets is derecognised at the time of replacement thereof. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.16 Intangible Assets:

Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any. Intangibles such as software are amortised over a period of 3 years based on its estimated useful life.

3.17 Impairment of non-financial assets:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the assets is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

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3.18 Provisions and other contingent liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

3.19 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise of cash at banks and in hand and short-term deposits with an original maturity of three months or less

3.20 Income tax expenses:

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.20.1 Current tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3.20.2 Deferred tax:

Deferred tax is recognised on temporary differences arising between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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3.20.3 Current and Deferred tax for the year:

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

4. Significant accounting judgements, estimates and assumptions:

The preparation of these financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the standalone financial statements are included are given below:

4.1 Business model assessment:

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

4.2 Significant increase in credit risk:

As explained in note 46.1, ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. Ind AS 109 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information. Refer to note 46.1 for more details.

4.3 Key sources of estimation uncertainty:

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

4.4 Fair value of financial instruments:

The Fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions based on market conditions existing at the end of each reporting period. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk, funding value adjustments, correlation and volatility.

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4.5 Effective Interest Rate (EIR) Method:

The Company's EIR methodology, as explained in Note 3.1.1, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle including prepayments and penalty interest and charges.

This estimation, by nature requires an element of judgement regarding the expected behaviour and life cycle of the instrument, as well expected changes India's base rate and other fee income, expenses that are integral part of the instrument

4.6 Impairment of Financial assets:

The impairment provisions for the financial assets except assets valued at fair value through Profit & Loss account (FVTPL) are based on assumptions about estimation of the amount and timing of future cash flows, collateral values, assessment of a significant increase in credit risk, probability of default (PD) and Loss given default (LGD) rates. The Company uses judgements in making these assumptions and selecting the inputs for impairment calculations based on its past history, existing market conditions and forward looking estimates at the end of each period. These estimates are driven by number of factors, change in which can result in different level of allowance.

The Company's expected credit loss (ECL) calculations are output of complex model with number of underlying assumptions regarding choice of variable inputs and their interdependencies Elements of the ECL models that are considered accounting judgements and estimates include:

- The Company's internal credit grading model, which assigns PDs to the individual grades based on ageing.
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment.
- The segmentation of financial assets when their ECL is assessed on a collective basis.
- Development of ECL models, including the various formulas and the choice of inputs Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs.
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

4.7 Impairment of Non-Financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exist, the Company estimates the asset's recoverable amount. An asset's recoverable amount is higher of an asset's fair value less cost of disposal and its value in use. Where the carrying amount exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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4.8 Provisions and contingent liabilities:

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of its business.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

4.9 Provisions for Income Taxes:

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectation of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

4.10 Leases:

Significant judgements are involved in evaluating if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The Company also uses significant judgement in assessing the applicable discount rate which is an equivalent to incremental borrowing rate estimated on best effort basis.

5. Standards issued but not yet effective:

There are no new standard or amendment issued but not effective.

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(Currency : Indian rupees in millions)

		As at March 31, 2022	As at March 31, 2021
6	**Cash and cash equivalents**		
	Cash on hand	**0.01**	-
	Balance with banks		
	- in current accounts	**2,026.12**	1,972.39
	- in fixed deposits with original maturity less than three	**903.44**	7,483.42
		2,929.57	9,455.81
7	**Bank balances other than cash and cash equivalents**		
	Fixed deposits with original maturity less than 3 months	**1,112.07**	-
	Fixed deposits with original maturity more than three months and less than 12 months	**730.61**	236.79
	Fixed deposits with original maturity more than 12 months	**230.10**	598.51
		2,072.78	835.30
7.A	**Encumbrances on fixed deposits with bank held by the Company**		
	Given as credit enhancements towards securitisation/ assignment under partial credit guarantee scheme	**910.76**	762.40
	Given as margin against the bank guarantee issued in favour of BSE Limited towards public issuance of non convertible debentures	-	25.62
	Given as collateral against the Bank Overdrafts (refer note 39a)	**1,117.00**	-

8	**Securities held for trading**	**As at March 31, 2022**			As at March 31, 2021		
	At fair value through profit and loss account	**Face value**	**Quantity**	**Amount**	Face value	Quantity	Amount
	Debt Securities						
	0.00% Edelweiss Rural & Corporate Services Limited 15.07.2021 Bonds	-	-	-	10,00,000	72.00	90.11
	Total Debt securities (A)			-		72.00	90.11
	Equity instruments						
	Indian Railway Finance Corporation Limited	-	-	-	10.00	17,09,857	39.15
	MTAR Technologies Ltd	-	-	-	10.00	4,595	4.70
	Laxmi Organic Industries Ltd	-	-	-	2.00	1,05,597	18.43
	Nazara Technologies Ltd	-	-	-	4.00	2,345	3.44
	Total equity instruments (B)		-	-		18,22,394	65.72
	Total (A+B)			-		18,22,466	155.83

		As at March 31, 2022	As at March 31, 2021
9	**Trade receivables**		
	Receivables considered good - non-related party	**16.44**	77.41
	Receivables considered good - related party - (Refer note 43)	**42.73**	30.70
	Receivables which have significant increase in credit risk	**3.80**	0.10
		62.97	108.21
	Less : Allowance for expected credit losses	**(6.19)**	(4.19)
		56.78	104.02
		56.78	104.02

(Currency : Indian rupees in millions)

9(a) Trade Receivables Ageing

As at March 31, 2022 — **Outstanding for following periods from due date of payment #**

Particulars	**Less than 6 Months**	**6 Months - 1 Year**	**1-2 Years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables – considered good	59.17	-	-	-	-	59.17
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	3.76	0.04	-	3.80
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Receivable (A)	**59.17**	**-**	**3.76**	**0.04**	**-**	**62.97**
(i) Undisputed Trade receivables – considered good	2.39	-	-	-	-	2.39
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	3.76	0.04	-	3.80
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
ECL Provision on receivables (B)	**2.39**	**-**	**3.76**	**0.04**	**-**	**6.19**
Receivables net of provision = (A)-(B)	**56.78**	**-**	**-**	**-**	**-**	**56.78**

Unbilled amount is due Rs 0.01 million.

As at March 31, 2021 — Outstanding for following periods from due date of payment #

Particulars	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	104.36	3.75	-	-	-	108.11
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	0.10	-	0.10
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	0.00
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	0.00
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	0.00
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	0.00
Receivable (A)	104.36	3.75	0.00	0.10	0.00	108.21
(i) Undisputed Trade receivables – considered good	2.26	1.83	-	-	-	4.09
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	0.10	-	0.10
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
ECL Provision on receivables (B)	2.26	1.83	-	0.10	-	4.19
Receivables net of provision = (A)-(B)	102.10	1.92	-	-	-	104.02

Unbilled amount is Nil.

Reconciliation of impairment allowance on trade receivables:	**For the year ended March 31, 2022**	For the year ended March 31, 2021
Impairment allowance measured as per simplified approach		
Impairment allowance - Opening Balance	(4.19)	(0.26)
(Add)/less: change due to receivable balance / bucketing (net)	(2.00)	(3.93)
Impairment allowance - Closing Balance	(6.19)	(4.19)

Note: For disclosure relating to trade receivable ageing/provision matrix, refer note 48

(Currency : Indian rupees in millions)

	As at March 31, 2022	As at March 31, 2021
10 Loans (at amortised cost)		
A. Term Loans		
(i) Housing Loans	**19,994.85**	22,001.66
(ii) Non Housing Loans	**11,453.87**	14,451.92
Total (A) - Gross	**31,448.72**	36,453.58
Less: Impairment loss allowance	**(484.31)**	(494.99)
Total (A) - Net	**30,964.41**	35,958.59
B. Term Loans		
(i) Secured by tangible assets (Refer note 46.1.2)	**31,432.08**	34,937.09
(ii) Unsecured	**16.64**	1,516.49
Total (B) - Gross	**31,448.72**	36,453.58
Less: Impairment loss allowance	**(484.31)**	(494.99)
Total (B) - Net	**30,964.41**	35,958.59
C. Term Loans		
C.I Loans in India		
(i) Public Sectors	-	-
(ii) Others	**31,448.72**	36,453.58
Total (C.I) - Gross	**31,448.72**	36,453.58
Less: Impairment loss allowance	**(484.31)**	(494.99)
Total (C.I) - Net	**30,964.41**	35,958.59
C.II Loans outside India	-	-
Less: Impairment loss allowance	-	-
Total (C.II) - Net	-	-
Total: (C I and C II)	**30,964.41**	35,958.59

Notes:

(i) The non-housing loan referred in note 10(A)(i) includes an amount of Rs. 657.66 million (previous year includes Rs. 710.08 million) being mortgage credit insurance premium payable by the obligor on housing loan.

(ii) There were no loans given against the collateral of gold jewellery and hence the percentage of such loans to the total outstanding asset is Nil (previous year Nil).

(iii) Loans which are repayable on demand or without specifying any terms or period of repayment are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are:

	As on March 31, 2022	
Type of Borrower	**Loan outstanding**	**% to the total outstanding Loans**
Promoter	-	0.00%
Directors	-	0.00%
KMP's	-	0.00%
Related Parties	-	0.00%
Total	-	0.00%

	As on March 31, 2021	
Type of Borrower	Loan outstanding	% to the total outstanding loans
Promoter	-	0.00%
Directors	-	0.00%
KMP's	-	0.00%
Related Parties	1000.00	2.74%
Total	1000.00	2.74%

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10.1. Credit Quality of Assets

The table below shows the credit quality and the maximum exposure to credit risk based on year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 46.1 and policies on ECL allowances are set out in Note 3.6.

(a) Gross carrying amount of loan assets allocated to Stage 1, Stage 2 and Stage 3

Particulars	As at March 31, 2022				As at March 31, 2021			
Loans (at amortised cost)	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Performing								
High grade	27,937.60	-	-	27,937.60	30,886.26	-	-	30,886.26
Standard grade	-	2,883.82	-	2,883.82	-	4,291.50	-	4,291.50
Non-performing								
Impaired	-	-	627.30	627.30	-	-	1,275.82	1,275.82
Total	27,937.60	2,883.82	627.30	31,448.72	30,886.26	4,291.50	1,275.82	36,453.58

(i) The Company has taken necessary steps to recover the amount of all the overdue cases. All the recovery process are as per the terms mentioned in the agreement and are in compliant with RBI and NHB guidelines.

(ii) There are 417 loan accounts classified as Stage 3 (including cases classified as non-performing asset (NPA) as per RBI guidelines) having overdue amount of Rs. 119.04 million as at Mach 31, 2022.

(b) Reconciliation of changes in gross carrying amount and the corresponding ECL in relation to loan assets are, as follows:

<u>For the year ended March 31, 2022</u>

Particulars	Non-credit impaired				Credit impaired		Total	
	Stage I		Stage II		Stage III			
	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL
Opening Balance	30,886.26	82.28	4,291.50	279.42	1,275.82	130.36	36,453.58	492.06
Transfers:								
Transfers to 12 Month ECL (Stage 1)	1,435.00	91.64	(1,271.30)	(75.13)	(163.70)	(16.51)	-	-
Transfers to lifetime ECL (Stage 2)	(1,003.36)	(7.46)	1,050.03	12.15	(46.67)	(4.69)	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	(515.83)	(3.46)	(981.44)	(59.68)	1,497.27	63.13	-	(0.01)
Net remeasurement of ECL arising from transfer of stage	-	(86.61)	-	50.16	-	60.52	-	24.07
Net new and further lending/ (repayments)	(2,856.38)	13.33	(204.45)	19.57	(16.19)	68.14	(3,077.02)	101.04
Amounts written off	(8.09)	(0.50)	(0.52)	(0.34)	(79.32)	(12.83)	(87.93)	(13.67)
Loans sold to assets resconstruction company	-	-	-	-	(1,839.91)	(122.02)	(1,839.91)	(122.02)
Closing balance	27,937.60	89.22	2,883.82	226.15	627.30	166.10	31,448.72	481.47

<u>For the year ended March 31, 2021</u>

Particulars	Stage I Gross carrying amount	Stage I Allowance for ECL	Stage II Gross carrying amount	Stage II Allowance for ECL	Stage III Gross carrying amount	Stage III Allowance for ECL	Total Gross carrying amount	Total Allowance for ECL
Opening Balance	39,941.18	56.36	2,908.64	237.64	760.57	110.41	43,610.39	404.41
Transfers:								
Transfers to 12 Month ECL (Stage 1)	412.66	30.53	(376.24)	(26.57)	(36.42)	(3.96)	-	-
Transfers to lifetime ECL (Stage 2)	(2,965.61)	(6.65)	2,975.06	7.70	(9.45)	(1.05)	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	(884.55)	(2.05)	(1,236.14)	(113.35)	2,120.69	115.40	-	-
Net remeasurement of ECL arising from transfer of stage	-	(6.74)	-	184.87	-	34.90	-	213.03
Net new and further lending/ (repayments)	(5,611.41)	10.84	21.07	(10.31)	5.95	36.80	(5,584.41)	37.33
Amounts written off	(5.94)	(0.01)	(0.88)	(0.56)	(56.15)	(33.39)	(62.97)	(33.96)
Loans sold to assets resconstruction company*	-	-	-	-	(1,509.43)	(128.75)	(1,509.43)	(128.75)
Closing balance	30,886.26	82.28	4,291.50	279.42	1,275.82	130.36	36,453.58	492.06

*The Company had initiated sale of certain credit impaired financial assets before March 31, 2021 and for which definitive contracts were executed post the balance sheet date. These financial assets sold after March 31, 2021, amounted to Rs. 430.41 million to asset reconstruction companies trusts (ARC Trust). As per Ind AS 109, Financial Instruments, prescribed under section 133 of the Companies Act, 2013 significant judgement is involved in classification of assets which has been accentuated on account of factors caused by COVID 19. Accordingly, on account of subsequent sale to and recovery from ARC Trust of such credit impaired assets, management has recorded such financial assets as recoverable and not as credit impaired financial assets. EFSL, the holding Company has, undertaken substantially all risks and rewards in respect of these financial assets aggregating to Rs. 365.84 million. As at March 31, 2021, there are no impact on the financial statements of the Company other than expected credit loss recorded in the Profit and Loss Statement for the year ended March 31, 2021 amounting to Rs. 72.94 million.

(Currency : Indian rupees in millions)

10.2. Credit Quality of exposure (Loan Commitment)

(a) Gross carrying amount of loan commitment allocated to Stage 1, Stage 2 and Stage 3

	As at March 31, 2022				As at March 31, 2021			
Particulars	**Stage I**	**Stage II**	**Stage III**	**Total**	Stage I	Stage II	Stage III	Total
Loans (at amortised cost)								
Performing								
High grade	859.47	-	-	859.47	1,257.25	-	-	1,257.25
Standard grade	-	8.50	-	8.50	-	10.02	-	10.02
Non-performing	-	-	-					
Impaired	-	-	3.94	3.94	-	-	13.99	13.99
Total	**859.47**	**8.50**	**3.94**	**871.91**	1,257.25	10.02	13.99	1,281.26

(b) Reconciliation of changes in gross carrying amount and the corresponding ECL in relation to loan commitment are, as follows:

For the year ended March 31, 2022

	Non-credit impaired				Credit impaired		Total	
	Stage I		Stage II		Stage III			
Particulars	**Gross carrying amount**	**Allowance for ECL**	**Gross carrying amount**	**Allowance for ECL**	**Gross carrying amount**	**Allowance for ECL**	**Gross carrying amount**	**Allowance for ECL**
As at April 01, 2021	**1,257.25**	**0.97**	**10.02**	**0.58**	**13.99**	**1.40**	**1,281.26**	**2.95**
Transfers:								
Transfers to 12 Month ECL (Stage 1)	3.71	0.29	(1.83)	(0.11)	(1.88)	(0.18)	-	-
Transfers to lifetime ECL (Stage 2)	(29.03)	(0.03)	29.03	0.03	-	-	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	(18.61)	(0.01)	(0.29)	-	18.90	0.01	-	-
Net remeasurement of ECL arising from transfer of stage	-	-	-	-	-	-	-	-
Net new sanctions and (disbursements)	(353.85)	(0.51)	(28.43)	(0.05)	(27.07)	0.45	(409.35)	(0.11)
Closing balance	**859.47**	**0.71**	**8.50**	**0.45**	**3.94**	**1.68**	**871.91**	**2.84**

For the year ended March 31, 2021

As at April 01, 2020	439.61	0.28	42.20	4.90	2.38	0.19	484.20	5.37
Transfers:								
Transfers to 12 Month ECL (Stage 1)	-	-	-	-	-	-	-	-
Transfers to lifetime ECL (Stage 2)	(16.00)	(0.09)	16.00	0.09	-	-	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	(7.61)	(0.02)	(6.34)	(0.02)	13.94	0.05	-	-
Net remeasurement of ECL arising from transfer of stage	-	-	-	-	-	-	-	-
Net new sanctions and (disbursements)	841.25	0.80	(41.85)	(4.39)	(2.34)	1.16	797.06	(2.43)
Closing balance	1,257.25	0.97	10.02	0.58	13.99	1.40	1,281.26	2.94

(Currency : Indian rupees in millions)

11 Investments

As at March 31, 2022	At Amortised cost (1)	At fair value			Subtotal 5 = (2+3+4)	At cost (6)	Total (7)= (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through Profit or loss (4)			
Security receipts (refer note below)	-	-	2,618.06	-	2,618.06	-	2,618.06
Total - Gross (A)	-	-	**2,618.06**	-	**2,618.06**	-	**2,618.06**
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	-	-	2,618.06	-	2,618.06	-	2,618.06
Total (B)	-	-	**2,618.06**	-	**2,618.06**	-	**2,618.06**
Less: Allowance for impairment (net) (C)	-	-	-	-	-	-	-
Total Net (A-C)	-	-	**2,618.06**	-	**2,618.06**	-	**2,618.06**

As at March 31, 2021	At Amortised cost (1)	At fair value			Subtotal 5 = (2+3+4)	At cost (6)	Total (7)= (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through Profit or loss (4)			
Security receipts (refer note below)	-	-	1,600.86	-	1,600.86	-	1,600.86
Total - Gross (A)	-	-	1,600.86	-	1,600.86	-	1,600.86
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	-	-	1,600.86	-	1,600.86	-	1,600.86
Total (B)	-	-	1,600.86	-	1,600.86	-	1,600.86
Less: Allowance for impairment net (C)	-	-	-	-	-	-	-
Total Net (A-C)	-	-	1,600.86	-	1,600.86	-	1,600.86

Note:

1 During earlier years and during the year ended March 31, 2022, the Company sold financial assets amounting to Rs. 2,046,78 million (net of losses) and Rs. 1,925.70 million (net of losses) respectively to various asset reconstructions company trusts ('ARC Trusts') and acquired security receipts (SR) amounting to Rs. 1,636.40 million and Rs. 1,636.93 million respectively from these ARC Trusts. Ind AS 109 – 'Financial Instruments', prescribed under section 133 of the Companies Act, 2013, requires substantially all risks and rewards to be transferred for the purpose of de-recognition of such financial assets from the Company's financial statements. EFSL, the holding company had undertaken substantially all risks and rewards in respect of such financial assets. As a result, these financial assets were derecognised in Company's financial statements.

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Edelweiss Housing Finance Limited Mumbai

Edelweiss Housing Finance Limited
Notes to the financial statements for the year ended March 31, 2022 (Continued)
(Currency : Indian rupees in millions)

11.1 Investments

	As at March 31, 2022			As at March 31, 2021		
	Face value	**Quantity**	**Amount**	Face value	Quantity	Amount
Security Receipts						
EARC Trust SC 401	814.37	9,81,750	796.80	948.94	9,81,750	931.62
EARC Trust SC 378	-	-	-	906.74	22,780	20.66
EARC Trust SC 374	-	-	-	916.54	63,107	57.84
EARC Trust SC 418	881.99	2,73,190	240.95	-	-	-
EARC Trust SC 447	977.12	5,66,270	553.31	-	-	-
EARC Trust SC 451	957.87	2,94,440	282.02	-	-	-
EARC Trust SC 459	1,000.00	1,37,100	137.10	-	-	-
Omkara PS33/2020-21 Trust	1,000.00	5,85,378	607.88	1,000.00	5,90,750	590.75
Total			**2,618.06**			1,600.86

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Housing Finance Limited
Mumbai

(Currency : Indian rupees in millions)

		As at March 31, 2022	As at March 31, 2021
12	**Other financial assets**		
	(unsecured, considered good)		
	Security Deposits	**21.67**	205.33
	Deposits placed with/exchange/depositories	**-**	30.00
	Advances to others	**550.15**	681.42
		571.82	916.75
13	**Current tax assets (net)**		
	Advance income taxes	**113.67**	21.86
	(net of provision for tax Rs. 575.26 million, previous year Rs. 337.65 million)		
		113.67	21.86
14	**Deferred tax assets (net)**		
	Deferred tax assets		
	Loans		
	Provision for Expected credit loss	**122.77**	136.84
	Effective Interest Rate on financials assets	**6.65**	6.12
	Property, plant and equipment and intangibles		
	Difference between book and tax WDV (Net) (including intangibles)	**11.48**	11.26
	Employee benefit obligations		
	Provision for compensated absences	**2.16**	1.24
	Disallowances under section 43B of the Income Tax Act, 1961	**8.86**	18.25
	Lease liability	**30.09**	30.59
	Others	**-**	32.40
		182.01	236.70
	Deferred tax liabilities		
	Investments and other financial instruments		
	Unamortised excess interest spread on loan assignment	**113.39**	107.87
	Interest Receivable on Stage 3 (On transition to Ind AS)	**1.35**	1.87
	Borrowings		
	Effective interest rate on financial liabilities	**9.92**	13.52
	Right-of-use Asset (ROU)	**28.14**	23.92
	Special Reserve u/s 36(1) (viii)	**101.02**	98.70
		253.82	245.88
		(71.81)	**(9.18)**

Note: For disclosure relating to movement of deferred tax assets/ liabilities, refer note 36.3

(Currency : Indian rupees in millions)

15 Property, Plant and Equipment

Description of Assets	Gross Block				Accumulated Depreciation, amortisation and Impairment				Net Block
	As at April 1, 2021	Additions during the year	Disposals during the year	As at March 31, 2022	As at April 1, 2021	Charge for the year	Disposals during the year	As at March 31, 2022	As at March 31, 2022
Land*	**1.21**	**-**	**-**	**1.21**	**-**	**-**	**-**	**-**	**1.21**
Leasehold improvements	**18.08**	**2.09**	**2.12**	**18.05**	**10.70**	**4.26**	**1.99**	**12.97**	**5.08**
Furniture and Fixtures	**8.65**	**0.93**	**1.15**	**8.43**	**4.35**	**1.16**	**0.92**	**4.59**	**3.84**
Vehicles	**0.32**	**-**	**0.32**	**-**	**0.23**	**-**	**0.23**	**-**	**-**
Office equipment	**11.01**	**0.47**	**1.43**	**10.05**	**8.15**	**1.27**	**1.28**	**8.14**	**1.91**
Computers	**58.85**	**0.28**	**15.84**	**43.29**	**51.50**	**2.60**	**15.24**	**38.86**	**4.43**
Right-of-use Asset (ROU) (refer note 44)	**161.42**	**51.58**	**6.24**	**206.76**	**66.33**	**29.51**	**0.93**	**94.91**	**111.85**
Total	**259.54**	**55.35**	**27.10**	**287.79**	**141.26**	**38.80**	**20.59**	**159.47**	**128.32**

*Charged against secured redeemable non-convertible debentures

Property, Plant and Equipment (Previous Year)

Description of Assets	Gross Block				Accumulated Depreciation, amortisation and Impairment				Net Block
	As at April 1, 2020	Additions during the year	Disposals during the year	As at March 31, 2021	As at April 1, 2020	Charge for the year	Disposals during the year	As at March 31, 2021	As at March 31, 2021
Land*	1.21	-	-	1.21	-	-	-	-	1.21
Leasehold improvements	29.87	-	11.79	18.08	12.05	5.15	6.50	10.70	7.38
Furniture and Fixtures	14.60	1.37	7.32	8.65	6.59	2.06	4.30	4.35	4.30
Vehicles	0.32	-	-	0.32	0.23	-	-	0.23	0.09
Office equipment	18.47	0.18	7.64	11.01	11.35	2.85	6.05	8.15	2.86
Computers	62.39	0.81	4.35	58.85	47.77	7.44	3.71	51.50	7.35
Right-of-use Asset (ROU) (refer note 44)	196.18	19.56	54.32	161.42	41.22	35.93	10.82	66.33	95.09
Total	323.04	21.92	85.42	259.54	119.21	53.43	31.38	141.26	118.28

*Charged against secured redeemable non-convertible debentures

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(Currency : Indian rupees in millions)

16 Intangible Assets Under Development

Intangible Assets Under Development Ageing as at March 31, 2022

Intangible Assets Under Development	**Amount in Intangible Assets Under Development for a period of**				**Total**
	Less than 1 year	**1-2 Years**	**2-3 years**	**More than 3 years**	
Project in progress	**13.13**	**4.22**	**-**	**-**	**17.35**
Total	**13.13**	**4.22**	**-**	**-**	**17.35**

Intangible Assets Under Development Ageing as at March 31, 2021

Intangible Assets Under Development	Amount in Intangible Assets Under Development for a period of				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Project in progress	5.65	1.45	-	-	7.10
Total	5.65	1.45	-	-	7.10

16 (a) Other Intangible Assets

Description of Assets	**Gross Block**				**Accumulated Amortisation and Impairment**				**Net Block**
	As at April 1, 2021	**Additions during the year**	**Disposals during the year**	**As at March 31, 2022**	**As at April 1, 2021**	**Charge for the year**	**Disposals during the year**	**As at March 31, 2022**	**As at March 31, 2022**
Other Intangible Assets									
Software	**15.95**	**4.20**	**0.09**	**20.06**	**13.68**	**1.36**	**0.09**	**14.95**	**5.11**
Total	**15.95**	**4.20**	**0.09**	**20.06**	**13.68**	**1.36**	**0.09**	**14.95**	**5.11**

Other Intangible Assets (Previous Year)

Description of Assets	Gross Block				Accumulated Amortisation and Impairment				Net Block
	As at April 1, 2020	Additions during the year	Disposals during the year	As at March 31, 2021	As at April 1, 2020	Charge for the year	Disposals during the year	As at March 31, 2021	As at March 31, 2021
Other Intangible Assets									
Software	14.17	1.78	-	15.95	10.71	2.97	-	13.68	2.27
Total	14.17	1.78	-	15.95	10.71	2.97	-	13.68	2.27

(Currency : Indian rupees in millions)

		As at March 31, 2022	As at March 31, 2021
17	**Other non-financial assets**		
	Input tax credit (Goods and Services Tax)	**19.53**	65.99
	Prepaid expenses	**21.40**	47.63
	Advance to vendors	**44.91**	4.90
	Advances to employees	**2.88**	2.22
	Advances recoverable	**-**	13.59
		88.72	134.33
18	**Trade Payables**		
	Trade payables to non-related parties	**89.93**	51.63
	Trade payables to related parties - (Refer note 43)	**56.58**	20.65
		146.51	72.28

18.1. The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME Act) has been determined to the extent such parties have been identified on the basis of Information available with the Company. The amount of principal and interest outstanding during the year is given below:

Particulars	**For the year ended March 31, 2022**	For the year ended March 31, 2021
(a) The principal amount remaining unpaid to any supplier as at the end of each accounting year	**5.14**	-
(b) The interest due thereon remaining unpaid to any supplier as at the end of each accounting year	**0.05**	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been but beyond the appointed day during the year) but without adding the interest specified under this Act	**-**	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	**-**	-
(e)The amount of interest accrued and remaining unpaid at the year end	**-**	-
(f)The amount of further interest remaining due and payable even in the succeeding years, until such date the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	**-**	-

18.2. Trade Payable Ageing

Particulars	**Outstanding from March 31, 2022 #**				
	Less than 1 Year	**1-2 Years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	**5.19**	**-**	**-**	**-**	**5.19**
(ii) Others	**138.10**	**0.81**	**1.76**	**0.65**	**141.32**
(iii) Disputed dues - MSME	**-**	**-**	**-**	**-**	**-**
(iv) Disputed dues - Others	**-**	**-**	**-**	**-**	**-**
Total	**143.29**	**0.81**	**1.76**	**0.65**	**146.51**

Unbilled amount is Rs 80.35 million

Particulars	Outstanding from March 31, 2021 #				
	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	67.85	3.46	0.34	0.63	72.28
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	67.85	3.46	0.34	0.63	72.28

Unbilled amount is Rs 42.96 million.

		As at March 31, 2022	As at March 31, 2021
19	**Debt securities (In India)**		
	(At amortised cost)		
	Non-convertible redeemable debentures (Secured)		
	Privately Placed Non-convertible debentures	**4,194.21**	7,258.15
	Publicly Placed Non-convertible debentures	**3,741.71**	4,418.60
		7,935.92	11,676.75

Note: For disclosure relating to repayment and other terms, refer note 50

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	As at March 31, 2022	As at March 31, 2021
20 Borrowings other than debt securities (In India)		
(At amortised cost)		
Term loans (secured)		
- From Banks	**11,897.48**	18,738.53
- From National Housing Bank	**1,324.40**	2,540.58
	13,221.88	21,279.11
Note: For disclosure relating to repayment and other terms, refer note 49		
Bank overdraft (secured)	**61.44**	149.27
[Secured by charge on receivables from financing business] Bank overdraft is in nature of Committed Cash Credit lines repayable on demand. (Interest rate range, March-22: 8.50% - 10.25%, March-21: 8.50% - 10.25%)		
Working capital demand loan (WCDL)	**1,200.00**	1,200.00
[Secured by charge on receivables from financing business] WCDL is in nature of short term loan. (Interest rate range, March-22: 7.75% - 9.70%, March-21: 8.50% - 10.25%)		
Loan from related parties (Unsecured)	**2.41**	-
(Interest rate payable @ 11.46% - 14.30%, previous year 11.00% - 12.25%)		
	14,485.73	22,628.38

Notes:-

(i) Company has not declared wilful defaulter by any bank or financial Institution or other lender.

(ii) All the quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

	As at March 31, 2022	As at March 31, 2021
21 Subordinated liabilities (In India)		
(At amortised cost)		
Non-convertible subordinated debentures (Unsecured)	**508.63**	508.61
	508.63	508.61
Note: For disclosure relating to repayment and other terms, refer note 51		

	As at March 31, 2022	As at March 31, 2021
22 Other financial liabilities		
Securitisation liability (including loan assigned under PCG* scheme)	**7,769.69**	5,266.66
Investor payable on account of assigned loans	**342.99**	399.26
Other payables	**159.75**	336.88
Book overdraft	**44.18**	542.18
Payable to employees	**93.55**	43.27
Lease liabilities (Refer note 44)	**139.32**	121.54
	8,549.48	6,709.79

* Partial Credit Guarantee Scheme

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(Currency : Indian rupees in millions)

		As at March 31, 2022	As at March 31, 2021
23	**Current tax liabilities (net)**		
	Provision for taxation	**5.68**	16.90
	(net of advance tax Rs. 619.93 million, previous year Rs. 848.52 million)		
		5.68	16.90
24	**Provisions**		
	Provision for employee benefits (Refer note 40)		
	Gratuity	**35.19**	32.51
	Compensated leave absences	**8.57**	4.94
	Provision for expenses	**0.22**	0.17
		43.98	37.62
25	**Other non-financial liabilities**		
	Revenue received in advance	**0.66**	1.81
	Payable to others	**17.65**	1.01
	Statutory dues payable	**24.22**	20.79
		42.53	23.61

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Edelweiss Housing Finance Limited ★ Mumbai ★

(Currency : Indian rupees in millions)

		As at March 31, 2022	As at March 31, 2021
26	**Equity share capital**		
	Authorised :		
	7,50,00,000 (Previous year: 7,50,00,000) equity shares of Rs.10 each	**750.00**	750.00
		750.00	750.00
	Issued, Subscribed and Paid up:		
	6,93,50,000 (Previous year: 6,93,50,000) Equity shares of Rs. 10, fully paid-up	**693.50**	693.50
		693.50	693.50

(a) *Movement in share capital :*

	As at March 31, 2022		As at March 31, 2021	
	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	**6,93,50,000**	**693.50**	6,93,50,000	693.50
Shares issued during the year	-	-	-	-
Outstanding at the end of the year	**6,93,50,000**	**693.50**	6,93,50,000	693.50

(b) *Terms/rights attached to equity shares :*

The Company has only one class of equity shares having a par value of Rs. 10. Each holder of equity shares is entitled to one vote. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.

(c) **Shares held by holding/ultimate holding company and/or their subsidiaries**

	As at March 31, 2022		As at March 31, 2021	
	No of shares	%	No of shares	%
Ultimate Holding / Holding company				
Edelweiss Financial Services Limited (EFSL), the ultimate holding company	**34,69,775**	**5.00%**	2,10,50,000	30.35%
Edelweiss Rural & Corporate Services Limited, the holding company	**3,83,00,000**	**55.23%**	3,83,00,000	55.23%
Fellow subsidiaries				
Edel Finance Company Limited	**2,75,80,225**	**39.77%**	1,00,00,000	14.42%
	6,93,50,000	**100.00%**	6,93,50,000	100.00%

(d) **There are no shares reserved for issue under options and contracts / commitments for the sale of shares/ disinvestment.**

(e) **Shares held by promoters at the end of the financial year March 31, 2022**

	As at March 31, 2022		
Promoter Name	**No. of Shares**	**% of total shares**	**%change during the year**
Ultimate Holding / Holding company			
Edelweiss Financial Services Limited*, the ultimate holding company	34,69,775	5.00%	-25.35%
Edelweiss Rural & Corporate Services Limited, the holding company	3,83,00,000	55.23%	No change
Fellow subsidiaries			
Edel Finance Company Limited*	2,75,80,225	39.77%	25.35%
Total	**6,93,50,000**	**100.00%**	

*On August 6, 2021 EFSL has transferred 17,580,225 equity shares of the Company to Edel Finance Company Limited

Shares held by promoters at the end of the financial year March 31, 2021

	As at March 31, 2021		
Promoter Name	No. of Shares	% of total shares	%change during the year
Ultimate Holding / Holding company			
Edelweiss Rural & Corporate Services Limited, the holding company	3,83,00,000	55.23%	
Edelweiss Financial Services Limited, the ultimate holding company	2,10,50,000	30.35%	No Change
Fellow subsidiaries			
Edel Finance Company Limited	1,00,00,000	14.42%	
Total	**6,93,50,000**	**100.00%**	

(f) No bonus shares have been issued b the Company during five years immediately preceding the Balance Sheet date.
(g) No shares have been bought back by the Company during the five years immediately preceding the current year.
(h) There are no securities that are convertible into Equity Shares.

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27	Other Equity	As at March 31, 2022	As at March 31, 2021
	Securities Premium	4,075.18	4,075.18
	Statutory Reserve	575.42	547.80
	Debenture Redemption Reserve	256.25	341.32
	Deemed capital contribution - Equity	33.46	33.46
	Retained Earnings	2,142.51	1,936.62
		7,082.82	6,934.38

Note: For movement in Other Equity, refer 'Statement of changes in Equity'

27.1 Nature and purpose of Reserves

(a) **Securities Premium**

Securities premium is used to record the premium on issue of shares. Balance in Securities premium can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

(b) **Reserve under section 29C of the National Housing Bank Act, 1987**

Reserve created under section 29C of National Housing Bank Act, 1987 a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

(c) **Debenture Redemption Reserve**

The Companies Act 2013 requires companies that issue debentures to create a debenture redemption reserve from annual profits until such debentures are redeemed. Company being Housing Finance Company (HFC) has to maintain Debenture Redemption reserve upto 25% of the value of debentures issued through public issue. The amounts credited to the debenture redemption reserve may not be utilised except to redeem debentures. On redemption of debentures, the amount may be transferred from debenture redemption reserve to retained earnings. However, as per the amendment in the Companies Act 2013, debenture redemption reserve is not required for debentures issued by Non-Banking Finance Companies (including HFC) regulated by Reserve Bank of India for both public as well as privately placed debentures.

(d) **Deemed capital contribution - Equity**

This reserve relates to Share options granted to eligible employees of the Company by the parent company under its employee share option plan.

(e) **Retained Earnings**

Retained earnings comprises of the Company's undistributed earnings after taxes.

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Edelweiss Housing Finance Limited
Notes to the financial statements for the year ended March 31, 2022 (Continued)
(Currency : Indian rupees in millions)

		For the year ended March 31, 2022	For the year ended March 31, 2021
28	**Interest Income (at amortised cost)**		
	Interest on Loans	**4,030.38**	4,451.55
	Interest income from securities held for trading/Investment	**13.21**	38.92
	Interest on term deposits with bank	**108.24**	170.18
	Other interest income	**25.97**	21.93
	Income on direct assignment	**275.33**	344.08
		4,453.13	5,026.66
29	**Fee and commission income**		
	Fee and commission income	**580.70**	341.46
		580.70	341.46
30	**Net gain on fair value changes**		
(a)	**On trading portfolio**		
	Gain on buy back of debt securities (amortised cost)	**6.30**	61.58
	Profit on sale of mutual fund units (FVTPL)	**19.14**	22.32
	Profit on sale of equity shares (FVTPL)	**49.66**	9.46
	Profit/(Loss) on sale of debt instruments (FVTPL)	**(8.54)**	23.89
(b)	**Investments**		
	Fair Value Gain / (Loss) on Security Receipts (FVTPL)	**19.77**	-
		86.33	117.25
31	**Other income**		
	Other non operating income	**18.94**	23.37
		18.94	23.37

(Currency : Indian rupees in millions)

		For the year ended March 31, 2022	For the year ended March 31, 2021
32	**Finance costs (at amortised cost)**		
	Interest on borrowings	**1,679.51**	2,475.41
	Interest on Securitisation liabilities (Including loan assigned under PCG scheme	**436.88**	270.35
	Interest on debt securities	**1,065.51**	1,054.47
	Interest on subordinated liabilities	**56.27**	56.25
	Other interest expense (including bank charges)	**24.72**	21.47
	Interest on lease liabilities	**12.79**	14.88
		3,275.68	3,892.83
33	**Impairment on financial instruments**		
	Loss on sale of loan assets sold to assets reconstruction company	**347.14**	359.27
	Bad debts and advances written off	**87.93**	62.97
	Provision for expected credit loss (at amortised cost) (including on loan commitments)	**(8.68)**	89.16
		426.39	511.40
34	**Employee benefit expenses**		
	Salaries and wages	**609.55**	514.63
	Contribution to provident and other funds	**19.40**	19.77
	Gratuity Expense (refer note 40)	**7.38**	6.75
	ESOP and SAR (Refer note below)	**4.40**	(0.90)
	Staff welfare expenses	**22.38**	17.77
		663.11	558.02

Note:

Edelweiss Financial Services Limited ("EFSL") the ultimate holding Company has granted an Employee stock option plan (ESOP)/ Stock Appreciation Rights (SAR) option to acquire equity shares of EFSL that would vest in a graded manner to Company's employees. Based on group policy / arrangement, EFSL has charged the fair value of such stock options /rights, Company has accepted such cross charge and recognised the same under the employee cost.

(Currency : Indian rupees in millions)

		For the year ended March 31, 2022	For the year ended March 31, 2021
35	**Other expenses**		
	Advertisement and business promotion	**0.14**	0.08
	Commission and brokerage	**0.54**	0.23
	Communication	**3.91**	6.10
	Directors' sitting fees	**0.82**	0.78
	Legal and professional fees	**110.28**	134.55
	Printing and stationery	**3.88**	4.40
	Loan origination costs amortised	**112.69**	125.22
	Rent, rates and taxes	**99.75**	63.30
	Repairs and maintenance	**5.93**	4.67
	Electricity charges	**7.00**	6.15
	Computer expenses	**28.45**	20.84
	Corporate social responsibility (refer note 35.2)	**7.60**	15.79
	Rating support fees	**7.70**	8.81
	Office expenses	**46.48**	79.02
	Postage and courier	**3.61**	1.94
	Goods and Service tax expenses	**51.52**	60.92
	Stamp duty	**11.60**	14.15
	Auditors' remuneration (refer note 35.1)	**6.93**	6.98
	Travelling and conveyance	**17.55**	6.87
	Miscellaneous expenses	**5.56**	11.81
		531.94	572.61
35.1	**Auditors' remuneration:**		
	As an Auditor		
	Statutory Audit	**2.00**	2.50
	Limited Review	**2.60**	1.50
	Certification	**2.29**	2.88
	Towards reimbursement of expenses	**0.04**	0.10
		6.93	6.98
35.2	**Details of CSR Expenditure:**		
	As per the provisions of Section 135 of Companies Act 2013.		
a)	Amount required to be spent by the Company	**7.60**	15.79
b)	Amount of expenditure incurred		
	(i) Construction/ Acquisition of any assets	-	-
	(ii) on purpose other than (i) above	**7.60**	15.79
c)	shortfall at the end of the year		
	(i) Construction/ Acquisition of any assets	-	-
	(ii) on purpose other than (i) above	-	-
d)	Total of previous years shortfall,	-	-
e)	Reason for shortfall,	**Not Applicable**	Not Applicable
f)	Details of related party transactions (Refer note 43)		
	Name of Related Party	EdelGive Foundation	
	Relationship	Fellow Subsidiary	
g)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation	-	-

h) Nature of CSR activities

For the year ended March 31, 2022 and March 31, 2021

Education Working to enhance child learning through work with system and community and support to the development of contextual literature for children

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(Currency : Indian rupees in millions)

36 Income tax

36.1 The components of income tax expense:

	For the period ended March 31, 2022	For the year ended March 31, 2021
Current tax	**12.89**	39.21
Short / (Excess) provision for earlier years	**(11.74)**	(90.46)
Deferred tax relating of items between book and tax profits	**62.60**	(66.76)
Total tax charge	**63.75**	(118.01)
Current tax	**1.15**	(51.25)
Deferred tax	**62.60**	(66.76)

36.2 Reconciliation of total tax charge

Accounting profit before tax as per financial statements	**201.82**	(80.72)
Tax rate (in percentage)	**25.17%**	25.17%
Income tax expense calculated based on this tax rate	**50.79**	(20.32)
Adjustment in respect of current income tax of prior years	**(11.74)**	(90.46)
Effect of income not subject to tax:		
Tax break of deduction u/s 36(1)(viii) of Income tax Act, 1961	-	(0.76)
Income on closure of leases	**(1.11)**	(3.43)
Adjustment on account of Valuation of Securities (ICDS)	**0.79**	(0.79)
Deduction u/s 35D of Income tax Act, 1961	**(0.08)**	(0.08)
Contribution towards Corporate Social Responsibility	**1.91**	3.97
ESOP and SAR cost reimbursement	**0.75**	(0.53)
Effect of non–deductible expenses:		
Penalties	-	-
Others	**22.44**	(5.62)
Impact of tax rate changes (between two accounting periods)	-	-
Tax charge for the year recorded in P&L	**63.75**	(118.01)
Effective tax rate	**31.59%**	146.20%

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36 Income tax

36.3 Movement of Deferred Tax assets / (liabilities)

For the Year Ended March 31, 2022

	Deferred tax asset / (liability) (Opening)	In profit or loss	In OCI	Directly in equity	Total movement	Deferred tax asset / (liability) (Closing)
Deferred taxes in relation to:						
Deferred Tax Assets						
Loans						
Provision for Expected credit loss	136.84	(14.07)	-	-	(14.07)	122.77
Effective interest rate on financial assets	6.12	0.53	-	-	0.53	6.65
Employee benefit obligations						
Provision for compensated absences	1.24	0.92	-	-	0.92	2.16
Disallowances under section 43B of the Income Tax Act, 1961	18.25	(9.36)	(0.03)	-	(9.39)	8.86
Property, plant and equipment and intangibles						
Difference between book and tax WDV (including intangibles)	11.26	0.22	-	-	0.22	11.48
Lease liability	30.59	(0.50)	-	-	(0.50)	30.09
Others	32.40	(32.40)	-	-	(32.40)	-
Deferred Tax Liabilities						
Investments and other financial instruments						
Unamortised excess interest spread on loan assignment	(107.87)	(5.52)	-	-	(5.52)	(113.39)
Interest Receivable on Stage 3 (Prior to transition)	(1.87)	0.52	-	-	0.52	(1.35)
Borrowings						
Effective interest rate on financial Liabilities	(13.52)	3.60	-	-	3.60	(9.92)
Right-of-use Asset (ROU)	(23.92)	(4.22)	-	-	(4.22)	(28.14)
Special Reserve u/s 36 (I) (viii)	(98.70)	(2.32)	-	-	(2.32)	(101.02)
Total	**(9.18)**	**(62.60)**	**(0.03)**	**-**	**(62.63)**	**(71.81)**

For the Year Ended March 31, 2021

	Deferred tax asset / (liability) (Opening)	In profit or loss	In OCI	Directly in equity	Total movement	Deferred tax asset / (liability) (Closing)
Deferred taxes in relation to:						
Deferred Tax Assets						
Provision for expected credit loss	100.55	36.29	-	-	36.29	136.84
Effective interest rate on financial assets	4.80	1.32	-	-	1.32	6.12
Employee benefit obligations						
Provision for compensated absences	0.96	(0.46)	0.74		0.28	1.24
Disallowances under section 43B of the Income Tax Act, 1961	5.12	13.13	-	-	13.13	18.25
intangibles)	9.46	1.80	-	-	1.80	11.26
Lease liability	45.96	(15.37)	-	-	(15.37)	30.59
Others	0.07	32.33	-	-	32.33	32.40
Deferred Tax Liabilities						
Investments and other financial instruments						
Unamortised excess interest spread on loan assignment	(83.13)	(24.74)	-	-	(24.74)	(107.87)
Interest Receivable on Stage 3 (On transition to Ind AS)	(6.18)	4.31	-	-	4.31	(1.87)
Effective interest rate on financial Liabilities	(17.36)	3.84	-	-	3.84	(13.52)
Right-of-use Asset (ROU)	(39.00)	15.07	-	-	15.07	(23.92)
Special Reserve u/s 36 (I) (viii)	-	(0.76)	-	(97.94)	(98.70)	(98.70)
Total	21.25	66.76	0.74	(97.94)	(30.44)	(9.18)

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37 Cash Flow Disclosure

Change in Liabilities arising from financing activities

Particulars	**As at March 31, 2021**	**Cash Flows**	**Changes in Fair value**	**Others***	**As at March 31, 2022**
Debt Securities	11,676.75	(3,561.85)	-	(178.98)	7,935.92
Borrowings other than Debt Securities	22,628.38	(8,171.95)	-	29.30	14,485.73
Subordinated Liabilities	508.61	-	-	0.02	508.63
Securitization liability (including loan assigned under PCG scheme)	5,266.66	2,489.28	-	13.75	7,769.69
	40,080.40	**(9,244.52)**	**-**	**(135.91)**	**30,699.97**

Particulars	As at March 31, 2020	Cash Flows	Changes in Fair value	Others*	As at March 31, 2021
Debt Securities	10,091.57	1,793.02	-	(207.84)	11,676.75
Borrowings other than Debt Securities	27,992.02	(5,360.01)	-	(3.63)	22,628.38
Subordinated Liabilities	508.61	-	-	-	508.61
Securitization liability (including loan assigned under PCG scheme)	3,554.54	1,700.44	-	11.68	5,266.66
	42,146.74	(1,866.55)	-	(199.79)	40,080.40

*Other column includes the effect of accrued but not paid interest on borrowing, amortisation of processing fees etc.

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38. Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

	For the year ended March 31, 2022	For the year ended March 31, 2021
Net Profit attributable to Equity holders of the Company - A	**138.07**	37.29
Weighted average Number of Shares		
- Number of equity shares outstanding at the beginning of the year	**6,93,50,000**	6,93,50,000
- Number of equity shares issued during the year	**-**	-
Total number of equity shares outstanding at the end of the year	**6,93,50,000**	6,93,50,000
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares) - B	**6,93,50,000**	6,93,50,000
Nominal value of equity shares (in rupees)	**10.00**	10.00
Basic and diluted earnings per share (in rupees) (A/B)	**1.99**	0.54

The basic and diluted earnings per share are the same as there are no dilutive/ potential equity shares issued or outstanding as at the year end.

39. Contingent Liability and Commitment:

(a) Contingent Liability

	As at March 31, 2022	As at March 31, 2021
Taxation matters	**Nil**	Nil
Litigation pending against the company	**Nil**	Nil
Corporate guarantee not acknowledged as debt	**950.00**	Nil

The Company's pending litigations mainly comprise of claims against the Company pertaining to proceedings pending with Income Tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in the financial statements. The Company believes that the outcome of these proceedings will not have a materially adverse effect on the Company's financial position and

(b) Commitment:

	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account (net of advances)	**10.52**	8.05
Loan sanctioned pending disbursements	**871.91**	1,281.26

(Currency : Indian rupees in millions)

40 Retirement and other employee benefits

(a) Defined contribution plan - Provident funds

In accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952, employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which, both the employee and the Company contribute monthly at a determined rate. These contributions are made to a recognized provident fund administered by Regional Provident Fund Commissioner. The employees contribute 12% of their basic salary and the Company contributes an equal amount.

The Company recognised Rs. 25.30 millions (March 31, 2021 : Rs 25.04 millions) for provident fund in the Statement of profit and loss.

(b) Defined benefit plan - Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a defined benefit plan covering all employees. The plan provides a lump sum payment to vested employees at retirement or termination of employment in accordance with the rules laid down in the Payment of Gratuity Act, 1972. The gratuity benefit is partially provided through funded plan and annual expense is charged to the statement of profit and loss on the basis of actuarial

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation (DBO) for gratuity are carried out as at March 31, 2022. The present value of the defined benefit obligations and the related current service cost and past service cost, are measured using the Projected Unit

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date

	As at March 31, 2022	As at March 31, 2021
Present value of defined benefit obligations (A)	**35.20**	32.51
Fair Value of plan assets (B)	-	-
Present value of defined benefit obligations (A-B)	**35.20**	32.51
Net deficit / (assets) are analysed as:		
Liabilities	**35.20**	32.51
Assets	-	-

Movement in net defined benefit (asset) liability:

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

		Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
		March 31, 2022	March 31, 2021	**March 31, 2022**	March 31, 2021	**March 31, 2022**	March 31, 2021
(i)	**Present value of defined benefit obligations (opening)**	32.51	20.34	-	-	**32.51**	20.34
	Current service cost	5.70	5.24	-	-	**5.70**	5.24
	Past service cost	-	-			-	-
	Interest cost	1.68	1.50	-	-	**1.68**	1.50
		39.89	27.08	-	-	39.89	27.08
(ii)	**Other comprehensive Income**						
	Remeasurement Actuarial loss (gain) arising from :						
	Experience	(0.69)	0.36	-	-	(0.69)	0.36
	Financial and demographic assumptions	0.57	2.59	-	-	0.57	2.59
	Expected return from plan assets	-	-	-	-	-	-
		(0.12)	2.95	-	-	(0.12)	2.95
(iii)	**Others**						
	Transfer In/ (Out)	1.15	6.99			1.15	6.99
	Contributions by Employer	-	-	-	-	-	-
	Benefits paid	(5.73)	(4.51)	-	-	(5.73)	(4.51)
		(4.58)	2.48	-	-	(4.58)	2.48
(iv)	**Closing Balance (i) + (ii) + (iii)**	35.20	32.51	-	-	35.20	32.51
	Represented by:						
	Net defined benefit asset					-	-
	Net defined benefit liability					35.20	32.51

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40 Retirement and other employee benefits

Components of defined benefit plan cost:

		For the year ended March 31, 2022	For the year ended March 31, 2021
(i)	**Recognised in Statement of profit or loss**		
	Current service cost	**5.70**	5.24
	Interest cost	**1.68**	1.50
	Expected return on plan assets	**-**	-
	Past service cost	**-**	-
		7.38	6.74
(ii)	**Recognised in other comprehensive income**		
	Remeasurement of net defined benefit liability/(asset)	**(0.12)**	2.95
	Return on plan assets excluding net interest	**-**	-
		(0.12)	2.95
	Total (i) + (ii)	**7.26**	9.69

Actuarial assumptions:

The following were the principal actuarial assumptions at the reporting date:

	As at March 31, 2022	As at March 31, 2021
Discount Rate	**5.90%**	5.00%
Salary Growth Rate	**7.00%**	7.00%
Withdrawal/Attrition Rate (based on categories)	**16.00%**	25.00%
Interest Rate on Net DBO/ (Asset)	**5.00%**	5.50%
Mortality Rate	**IALM 2012-14 (Ult.)**	IALM 2012-14(Ultimate)
Expected weighted average remaining working lives of employees	**4 Years**	3 Years

Sensitivity analysis:

	As at March 31, 2022		As at March 31, 2021	
	Increase	**Decrease**	Increase	Decrease
Salary Growth Rate (+/- 1%)	**1.84**	**(1.69)**	1.31	(1.23)
Discount Rate (+/- 1%)	**(1.69)**	**1.88**	(1.24)	1.34
Withdrawal Rate (+/- 1%)	**(0.10)**	**0.10**	(0.10)	0.11
Mortality (increase in expected lifetime by 1 year)	**2**		2	
Mortality (increase in expected lifetime by 3 year)	6		5	

The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous period to the methods and assumptions underlying the sensitivity analysis.

Asset liability comparisons:	As at March 31, 2022	As at March 31, 2021
Present value of DBO	**35.20**	32.51
Fair Value of Plan assets	-	-
Net (Assets)/Liability	**35.20**	32.51

(c) Compensated absences :

The Company provides for accumulated compensated absences as at the balance sheet date using projected unit credit method based on actuarial valuation. The leave encashment on separation is paid on basic salary.

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41. Maturity Analysis of assets and liabilities

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	**After 12 months**	**Total**	Within 12 months	After 12 months	Total
Financial Assets						
Cash and cash equivalents	2,929.57	-	2,929.57	9,455.81	-	9,455.81
Bank balances other than cash and cash equivalents	2,052.17	20.61	2,072.78	817.99	17.31	835.30
Securities held for trading	-	-	-	155.83	-	155.83
Trade receivables	56.78	-	56.78	104.02	-	104.02
Loans	8,037.00	22,927.41	30,964.41	7,963.09	27,995.50	35,958.59
Investments	319.70	2,298.36	2,618.06	-	1,600.86	1,600.86
Other financial assets	255.36	316.46	571.82	520.91	395.84	916.75
Non-financial assets						
Current tax assets (net)	-	113.67	113.67	-	21.86	21.86
Property, plant and equipment	-	128.32	128.32	-	118.28	118.28
Intangible assets under development	-	17.35	17.35	-	7.10	7.10
Other intangible assets	-	5.11	5.11	-	2.27	2.27
Other non- financial assets	88.72	-	88.72	134.33	-	134.33
Total Assets	**13,739.30**	**25,827.29**	**39,566.59**	19,151.98	30,159.02	49,311.00
Financial Liabilities						
Trade payables	146.51	-	146.51	72.28	-	72.28
Debt securities	2,679.85	5,256.07	7,935.92	4,217.33	7,459.42	11,676.75
Borrowings (other than debt securities)	7,540.06	6,945.67	14,485.73	9,088.06	13,540.32	22,628.38
Subordinated liabilities	8.63	500.00	508.63	8.61	500.00	508.61
Other financial liabilities	2,262.56	6,286.92	8,549.48	2,497.62	4,212.17	6,709.79
Non-financial liabilities						-
Current tax liabilities (net)	5.68	-	5.68	16.90	-	16.90
Provisions	43.98	-	43.98	37.62	-	37.62
Deferred tax liabilities (net)	-	71.81	71.81	-	9.18	9.18
Other non-financial liabilities	42.53	-	42.53	23.61	-	23.61
Total Liabilities	**12,729.80**	**19,060.47**	**31,790.27**	15,962.02	25,721.10	41,683.12
Net	**1,009.51**	**6,766.81**	**7,776.32**	3,189.96	4,437.92	7,627.87

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Edelweiss Housing Finance Limited ★ Mumbai ★

(Currency : Indian rupees in millions)

42 Segment Information

The Company is operating under single business segment i.e. to provide loans for purchase or construction of residential houses, loan against properties and loans to real estate developers. Accordingly, there is no separate reportable segment and hence no disclosure is made under Ind AS 108 - 'Operating Segment Reporting'. Further, segmentation based on geography has not been presented as the Company operates only in India.

43 Related Party Disclosures

i. List of related parties and relationship:

Name of related parties by whom control is exercised :

Ultimate Holding Company	Edelweiss Financial Services Limited
Holding Company	Edelweiss Rural & Corporate Services Limited
Fellow Subsidiaries (with whom transactions have taken place)	ECap Equities Limited (Merged with Edel Land Limited w.e.f. March 25th, 2022) Edelweiss Insurance Brokers Limited ECL Finance Limited Edelweiss Asset Reconstruction Company Limited Edelweiss Asset Reconstruction Company Limited Trust EARC Trust SC 401 EARC Trust SC 374 EARC Trust SC 378 EARC Trust SC 417 EARC Trust SC 418 EARC Trust SC 447 EARC Trust SC 451 EARC Trust SC 459 Edelweiss Comtrade Limited Edelweiss Gallagher Insurance Brokers Limited Edelweiss Alternative Asset Advisors Limited Edelweiss Asset Management Limited Edelcap Securities Limited Edel Finance Company Limited Edel Land Limited Edelweiss Retail Finance Limited Edelweiss General Insurance Company Limited EdelGive Foundation Edelweiss Investment Limited Edelweiss Tokio Life Insurance Company Limited Edelweiss Securities Limited (Upto March 26, 2021) Edelweiss Broking Limited (Upto March 26, 2021) Edelweiss Custodial Services Limited (Upto March 26, 2021) Edelweiss Investment Advisors Limited (Upto March 26, 2021) Edelweiss Finance & Investments Limited (Upto March 26.
Fellow Associates (From March 26, 2021)	Edelweiss Securities Limited Edelweiss Broking Limited Edelweiss Custodial Services Limited Edelweiss Investment Advisors Limited Edelweiss Finance & Investments Limited
Independent Director	Mr. Sunil Phatarphekar (From April 13, 2020) Mr. Biswamohan Mahapatra (From October 29, 2020) Mr. Gautam Chatterjee (From September 16, 2021) Mr. P N. Venkatachalam (Non-Executive Director) (upto June 17, 2021)
Key Management Personnel	Mr. Rajat Avasthi (Managing Director & CEO) (From September 3, 2020) Mr. Krishnaswamy Siddharth (Executive Director & CRO upto May 15, 2020) Mr. Deepak Mittal (Non-Executive Director) (From Oct 14, 2019)) Ms. Shilpa Gattani (Non-Executive Director) (From Sep 23, 2020) Mr. Phanindranath Kakarla (Non-Executive Director) (From Mar 2, 2021) Mr. Deepak Mundra (Non-Executive Director) (From March 02, 2021 upto Oct 13, 2021) Mr. Manjeet Bijlani (Chief Financial Officer upto April 14, 2020) Mr. Manish Dhanuka (Chief Financial Officer) (From July 03, 2020 upto August 31, 2021) Mr. Tushar Kotecha (Chief Financial Officer) (From January 28, 2022) Ms. Riddhi Parekh (Company Secretary from January, 03, 2020 upto October 29, 2021) Mr. Vinay Tripathi (Company Secretary from December 16, 2021 upto January 31, 2022) Mr. Girish Manik (Company Secretary From February 01, 2022)

NGS & CO. LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Edelweiss Housing Finance Limited ★ Mumbai ★

(Currency : Indian rupees in millions)

ii. Transactions with related parties :

Nature of Transaction	Related Party Name	For the year ended March 31, 2022	For the year ended March 31, 2021
Capital Account Transactions:			
Loans taken from	*Maximum transaction during the year*		
	Edel Land Limited	**500.00**	
	ECL Finance Limited	**-**	250.00
	Edelweiss Retail Finance Limited	**250.00**	
	Volume of transactions during the year		
	Edel Land Limited	**500.00**	-
	Edelweiss Rural & Corporate Services Limited	**-**	15,496.72
	Edelweiss Retail Finance Limited	**250.00**	5,748.00
	ECL Finance Limited	**-**	-
Loans repaid to	*Maximum transaction during the year*		
	Edel Land Limited	**500.00**	-
	Edelweiss Retail Finance Limited	**130.00**	13.00
	ECL Finance Limited	**-**	250.00
	Volume of transactions during the year		
	Edel Land Limited	**500.00**	-
	Edelweiss Retail Finance Limited	**250.00**	13.00
	ECL Finance Limited	**-**	250.00
Loans given to	*Maximum transaction during the year*		
	ECL Finance Limited	**2,000.00**	1,500.00
	Edelweiss Rural & Corporate Services Limited	**1,300.00**	800.00
	Edelweiss Retail Finance Limited	**2,500.00**	4,000.00
	Volume of transactions during the year		
	ECL Finance Limited	**7,950.00**	6,010.00
	Edelweiss Rural & Corporate Services Limited	**4,400.00**	800.00
	Edelweiss Retail Finance Limited	**6,500.00**	20,830.00
Loans repaid by	*Maximum transaction during the year*		
	ECL Finance Limited	**2,000.00**	2,000.00
	Edelweiss Retail Finance Limited	**2,500.00**	4,000.00
	Edelweiss Rural & Corporate Services Limited	**1,300.00**	800.00
	Volume of transactions during the year		
	ECL Finance Limited	**8,950.00**	5,020.00
	Edelweiss Retail Finance Limited	**6,500.00**	20,830.00
	Edelweiss Rural & Corporate Services Limited	**4,400.00**	800.00
Loan portfolio purchase under direct assignment	ECL Finance Limited	**1,005.78**	1,937.86
	Edelweiss Retail Finance Limited	**282.82**	1,769.67
Loan sold to ARC trust	Edelweiss Asset Reconstruction Company Limited	**1,925.70**	26.80
Loan sold under Securitisation	Edelweiss General Insurance Company Limited	**100.83**	-
	Edelweiss Tokio Life Insurance Company Limited	**997.36**	-
Investment in Security Receipt issued by at book Value	Edelweiss Asset Reconstruction Company Limited		
	EARC Trust SC 378	**-**	22.78
	EARC Trust SC 417	**365.93**	-
	EARC Trust SC 418	**273.19**	-
	EARC Trust SC 447	**566.27**	-
	EARC Trust SC 451	**294.44**	-
	EARC Trust SC 459	**137.10**	-

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Edelweiss Housing Finance Limited Mumbai

(Currency : Indian rupees in millions)

Nature of Transaction	Related Party Name	For the year ended March 31, 2022	For the year ended March 31, 2021
43 Related Party Disclosures			
Sale of Security Receipts	Edelweiss Retail Finance Limited	**378.65**	-
Purchase of bonds from	ECL Finance Limited	**150.72**	83.64
	Edelweiss Retail Finance Limited	**0.20**	-
Sale of bonds to	ECL Finance Limited	-	2,144.87
Redemption of bonds held in	Edelweiss Retail Finance Limited	-	250.00
	Edelweiss Rural & Corporate Services Limited	**94.78**	-
<u>Current Account Transactions:</u>			
Interest Expenses on loan from	Edel Land Limited	**0.61**	-
	Edelweiss Retail Finance Limited	**2.08**	0.28
	ECL Finance Limited	-	0.50
Interest Income on loan to	ECL Finance Limited	**71.62**	8.39
	Edelweiss Retail Finance Limited	**19.32**	32.91
	Edelweiss Rural & Corporate Services Limited	**93.46**	17.21
Interest Income on security deposit to	ECap Equities Limited	-	9.68
	Edelweiss Rural & Corporate Services Limited	**11.74**	12.10
	Edel Land Limited	**9.39**	-
Interest Expenses on Non convertible Debentures	Edelweiss Finance & Investments Limited	**0.02**	0.02
	ECL Finance Limited	**8.68**	3.66
	Edelweiss Retail Finance Limited	**0.81**	0.24
	Edelweiss Tokio Life Insurance Company Limited	**2.58**	-
Interest Income on non convertible debentures	ECL Finance Limited	-	18.50
	Edelweiss Rural & Corporate Services Limited	**13.21**	9.56
	Edelweiss Retail Finance Limited	-	10.85
Interest expense on Securitisation	Edelweiss General Insurance Company Limited	**0.13**	-
	Edelweiss Tokio Life Insurance Company Limited	**0.70**	-
Cost reimbursement paid to	Edelweiss Financial Services Limited	**1.42**	9.12
	Edelweiss Rural & Corporate Services Limited	**48.97**	10.00
	Ecap Equities Limited	-	0.44
	Edelweiss Securities Limited	**0.00**	0.66
	Edel Land Limited	**0.06**	3.03
	ECL Finance Limited	**6.58**	0.09
	Edelweiss Broking Limited	**0.08**	-
	Edelweiss Retail Finance Limited	**0.38**	-
ESOP and SAR cost reimbursement	Edelweiss Financial Services Limited	**4.40**	1.84
CSR expenses paid to	EdelGive Foundation	**7.60**	15.79
Cost reimbursement received from	ECL Finance Limited		-
	Edelweiss Broking Limited	-	0.17
	Edelweiss Custodial Services Limited	**0.00**	-
	Edelweiss General Insurance Company Limited	**0.00**	
Service fee received from	Edelweiss Retail Finance Limited	**0.26**	0.02
	ECL Finance Limited	**0.11**	0.11
Service charges paid	Edelweiss Retail Finance Limited	**1.50**	0.66
	ECL Finance Limited	**1.44**	0.95
Advisory fees earned from	ECL Finance Limited	**17.50**	33.93
	Edelweiss Retail Finance Limited	**4.30**	9.00

NGS & CO. LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Edelweiss Housing Finance Limited ★ Mumbai

Edelweiss Housing Finance Limited

Notes to the financial statements for the year ended March 31, 2022 (Continued)

(Currency : Indian rupees in millions)

43 Related Party Disclosures

Nature of Transaction	Related Party Name	For the year ended March 31, 2022	For the year ended March 31, 2021
Shared premises cost paid to	ECL Finance Limited	**27.50**	7.42
	Edelweiss Retail Finance Limited	**8.66**	23.97
	Ecap Equities Limited	-	17.14
	Edelweiss Broking Limited	**0.07**	-
	Edelweiss Securities Limited	-	0.01
	Edelweiss Rural & Corporate Services Limited	-	14.15
	Edelweiss Asset Management Limited	-	0.00
	Edel Land Limited	**1.80**	-
Shared premises cost received from	Edelweiss Insurance Brokers Limited		0.03
	Edelweiss Custodial Services Limited	**0.26**	0.18
	Edelweiss Broking Limited	-	0.05
	Edelweiss General Insurance Company Limited	**0.26**	1.26
	Edelweiss Financial Services Limited	**0.01**	-
	Edelweiss Rural & Corporate Services Limited	**0.15**	-
Corporate Guarantee fee received from	Edelweiss Rural & Corporate Services Limited	**0.01**	-
Corporate Guarantee support fee paid to	Edel Land Limited	**0.03**	0.01
	Edelweiss Rural & Corporate Services Limited	**0.02**	-
Rating support fees paid to	Edelweiss Financial Services Limited	-	0.07
	Edelweiss Rural & Corporate Services Limited	**0.13**	0.15
Risk and reward sharing fee expense	Edelweiss Rural & Corporate Services Limited	-	3.50
	Edelweiss Financial Services Limited	**1.94**	1.17
Reimbursement of ARC management fee from	Edelweiss Financial Services Limited	**89.03**	12.06
Professional fees paid to	Edelweiss Rural & Corporate Services Limited	-	0.30
	Edelweiss Financial Services Limited	-	0.06
	ECL Finance Limited	**0.55**	-
Management Fees paid to	Edelweiss Asset Reconstruction Company Limited	**76.72**	55.69
Management Fees received from	Edelweiss Financial Services Limited	-	8.05
Commission and brokerage paid to	Edelweiss Securities Limited	**0.03**	-
	Edelweiss Investment Limited	**0.01**	
Enterprise service charge paid to	Edelweiss Rural & Corporate Services Limited	**0.63**	-
	ECL Finance Limited	**20.12**	-
Corporate Cost	Edelweiss Rural & Corporate Services Limited	-	44.42
	Edelweiss Financial Services Limited	-	15.01
Director Sitting fees	Mr. P N. Venkatachalam	**0.14**	0.40
	Mr. Sunil Phatarphekar	**0.28**	0.28
	Mr. Biswamohan Mahapatra	**0.32**	0.10
	Mr. Gautam Chatterjee	**0.08**	-
Remuneration to	Mr. Rajat Avasthi	**21.66**	9.93
	Mr. Krishnaswamy Siddharth	-	2.34
	Mr. Manjeet Bijlani	-	0.73
	Ms. Riddhi Parekh	**1.82**	2.05
	Mr. Manish Dhanuka	**6.07**	4.49
	Mr.Tushar Kotecha	**2.23**	-
	Mr.Girish Manik	**0.61**	-
Sale of Property, plant and equipment	ECL Finance Limited	-	0.03
	Edelweiss Finance & Investments Limited	-	0.03
	Edelweiss Broking Limited	**0.00**	-
	Edelweiss Custodial Services Limited	**0.00**	-
	Edelweiss Broking Limited	-	0.16
	Edel Land Limited	-	0.02
	Edelweiss Financial Services Limited	-	0.01
	Edelweiss Insurance Brokers Limited	**0.00**	-
	Fdelweiss Investment Advisors Limited	-	-
	Edelweiss Rural & Corporate Services Limited	**0.00**	0.07
	Edelweiss Securities Limited	**0.00**	0.03

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Housing Finance Limited Mumbai Edelweiss

(Currency : Indian rupees in millions)

43 Related Party Disclosures

Nature of Transaction	Related Party Name	For the year ended March 31, 2022	For the year ended March 31, 2021
Purchase of Property, plant and equipment	Edelweiss Securities Limited	-	0.00
	ECL Finance Limited	0.43	0.01
	Edelweiss Gallagher Insurance Brokers Limited	-	0.02
	Edelweiss Broking Limited	-	0.07
	Edelweiss Investment Advisors Limited	0.00	-
	Edelweiss Retail Finance Limited	0.33	0.01
	Edelweiss Rural & Corporate Services Limited	0.07	0.03
Amount paid to broker for Cash segment	Edelweiss Securities Limited	237.53	193.15
	Edelweiss Investment Limited	148.08	-
Amount received from broker for Cash segment	Edelweiss Securities Limited	333.83	-
	Edelweiss Investment Limited	168.09	249.41
Margin Placed	Edelweiss Securities Limited	80.00	-
	Edelweiss Investment Limited	113.00	-
Margin Withdrawal	Edelweiss Securities Limited	86.00	-
	Edelweiss Investment Limited	113.00	-

Balances with related party	Related Party Name	As at March 31, 2022	As at March 31, 2021
Non convertible debentures held by (Face value)	ECL Finance Limited	8.33	158.38
	Edelweiss Finance & Investments Limited	0.16	0.16
	Edelweiss Retail Finance Limited	7.47	7.60
	Edelweiss Tokio Life Insurance Company Limited	25.80	-
Non convertible debentures held in (Face value)	Edelweiss Rural & Corporate Services Limited	-	72.00
Interest expense accrued on Short term borrowings	Edel Land Limited	0.54	-
	Edelweiss Retail Finance Limited	1.87	-
Interest Accrued on Securitisation	Edelweiss General Insurance Company Limited	0.13	
	Edelweiss Tokio Life Insurance Company Limited	0.70	
Loan given to	ECL Finance Limited	-	1,000.00
Interest income accrued on Loans	ECL Finance Limited	7.38	1.57
	Edelweiss Retail Finance Limited	-	8.14
	Edelweiss Rural & Corporate Services Limited	9.26	3.43
Security deposit given including accrued interest	ECap Equities Limited	-	80.91
	Edelweiss Rural & Corporate Services Limited	-	101.14
Interest accrued but not due on Non convertible debentures held by	Edelweiss Finance & Investments Limited	0.01	0.01
	Edelweiss Retail Finance Limited	0.52	0.52
	ECL Finance Limited	0.58	11.29
	Edelweiss Tokio Life Insurance Company Limited	1.81	-
Trade Payables to	Edelweiss Financial Services Limited	4.88	1.48
	ECL Finance Limited	22.09	4.60
	Ecap Equities Limited	-	1.62
	Edelweiss Securities Limited	-	0.01
	Edelweiss Retail Finance Limited*	6.22	1.87
	Edelweiss Broking Limited	0.11	-
	Edelweiss Alternative Asset Advisors Limited	-	0.90
	Edelweiss Rural & Corporate Services Limited	21.28	8.44
	Edelweiss Asset Management Limited	-	0.00
	Edel Land Limited	2.00	0.01
Other Payable to	Edelweiss Financial Services Limited	0.63	-
Margin receivable from	Edelweiss Securities Limited	-	6.00

NGS & CO. LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Edelweiss Housing Finance Limited ★ Mumbai ★

(Currency : Indian rupees in millions)

43 Related Party Disclosures

Nature of Transaction	Related Party Name	As at March 31, 2022	As at March 31, 2021
Trade Receivables from	ECL Finance Limited	**13.26**	13.56
	Edelweiss Financial Services Limited	**24.46**	13.33
	Edelweiss Retail Finance Limited	**3.68**	0.61
	Edelweiss Broking Limited	-	0.02
	Edel Land Limited	**0.57**	-
	Edelweiss Custodial Services Limited	**0.02**	0.02
	Edelweiss General Insurance Company Limited	-	0.15
	Edelweiss Comtrade Limited	-	0.02
	Edelweiss Rural & Corporate Services Limited	**0.72**	2.09
	Edelweiss Finance & Investments Limited	-	0.02
	Edelweiss Tokio Life Insurance Company Limited	**0.00**	0.00
Other Receivable from	Edelweiss Financial Services Limited	-	0.90
	ECL Finance Limited	**0.93**	-
	Edelweiss Retail Finance Limited	**0.08**	-
	Edelweiss Rural & Corporate Services Limited	**0.14**	-
Investment in Security Receipts (Books value) issued by	Edelweiss Asset Reconstruction Company Limited		
	EARC Trust SC 401	**799.51**	931.62
	EARC Trust SC 374	-	57.84
	EARC Trust SC 378	-	20.66
	EARC Trust SC 418	**240.95**	-
	EARC Trust SC 447	**553.31**	-
	EARC Trust SC 451	**282.02**	-
	EARC Trust SC 459	**137.10**	-
Non-fund Based			
Corporate Guarantee taken from	Edelweiss Financial Services Limited	**1,324.40**	1,890.58
	Edelweiss Rural & Corporate Services Limited	**1,612.82**	1,890.58
	Edel Land Limited	**280.22**	300.82
Corporate Guarantee Given to	Edelweiss Rural & Corporate Services Limited	**950.00**	-
Risk and Rewards Guarantee taken from	Edelweiss Financial Services Limited	**2,208.60**	1,446.13

Notes:

1 As part of fund based activities, intergroup company loans and advances activities undertaken are generally in the nature of short term loans. Such loans and advances, voluminous in nature, are carried on at arm's length and in the ordinary course of business. Pursuant to Ind AS 24 – Related Party Disclosures, maximum amount of loans given and repaid along with the transaction volume are disclosed above. Interest income and expenses on such loans and advances are disclosed on the basis of full amounts of such loans and advances given and repaid.

2 Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity, leave encashment, bonus and deferred bonus which are provided for group of employees on an overall basis. These are included on cash basis. The variable compensation included herein is on cash basis.

3 The above list contain name of only those related parties with whom the Company has undertaken transactions for the year ended March 31, 2022 and March 31, 2021.

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Edelweiss Housing Finance Limited Mumbai

(Currency : Indian rupees in millions)

44 **Leases**

		For the year ended March 31, 2022	For the year ended March 31, 2021
44.1.	**Set out below are the carrying amounts of right-of-use assets recognised and the movements**		
	Balance as at April 1	95.09	154.96
	Addition	51.58	19.56
	Lease pre-closure (Net)	(5.31)	(43.50)
	Amortisation for the year	(29.51)	(35.93)
	Balance as at March 31	**111.85**	**95.09**
44.2.	**Set out below are the carrying amounts of lease liabilities and the movements**		
	Balance as at April 1	121.54	182.61
	Additioos/ reversal (net)	51.58	19.56
	Interest on lease liabilities	12.79	14.88
	Lease pre-closure (Net)	(9.71)	(57.13)
	Repayment of lease obligation	(36.88)	(38.38)
	Balance as at March 31	**139.32**	**121.54**
44.3.	**Amounts recognised in profit or loss:**		
	Amortization of right-of-use assets	29.51	35.93
	Interest expense on lease liabilities	12.79	14.88
	Reversal of lease pre-closure	(4.40)	(13.63)
	Total	**37.90**	**37.18**
44.4.	**Total Cash outflow for leases:**		
	Cash outflow of long term leases	36.88	38.38
	Cash outflow of short term leases	0.55	0.33
	Total	**37.43**	**38.71**

		As at March 31, 2022	As at March 31, 2021
44.5.	**Details regarding the contractual maturities of lease liabilities, on an undiscounted basis:**		
	Less than 1 year	40.03	36.30
	1-3 years	67.35	50.05
	3-5 years	54.14	40.92
	More than 5 years	5.72	22.83
	Total	**167.24**	**150.10**

45 *Cost sharing*

Edelweiss Financial Services Limited, being the ultimate holding Company along with fellow subsidiaries incurs expenditure like, Group mediclaim, insurance, rent, electricity charges etc. which is for the common benefit of itself and its certain subsidiaries, fellow subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, time spent by employees of other Companies, actual identifications etc. On the same lines, employees' costs expended (if any) by the Company for the benefit of fellow subsidiaries is recovered by the Company. Accordingly, and as identified by the management, the expenditure heads in note 34 and 35 include reimbursements paid and are net of reimbursements received based on the management's best estimates are Rs. 94.83 million (previous year Rs 84.35 million)

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Edelweiss Housing Finance Limited ★ Mumbai

46. Risk Management

(a) Introduction and risk profile

Risk is an inherent part of Company's business activities. When the Company extends a corporate or retail loan, buy or sell securities in market, or offers other products or services, the Company takes on some degree of risk. The Company's overall objective is to manage its businesses, and the associated risks, in a manner that balances serving the interests of its customers and investors and protects the safety and soundness of the Company.

The Company believes that effective risk management requires:

1) Acceptance of responsibility, including identification and escalation of risk issues, by all individuals within the Company;
2) Ownership of risk identification, assessment, data and management within each of the lines of business and Corporate; and
3) Firmwide structures for risk governance

The Company strives for continual improvement through efforts to enhance controls, ongoing employee training and development and other measures.

(b) Risk Management Structure

The Company have a well-defined risk management policy framework for risk identification, assessment and control to effectively manage risks associated with the various business activities. The risk function is monitored primarily by the business risk group. The Company has also established a Risk Committee that is responsible for managing the risk arising out of various business activities.

Company's risk management policy ensures that the margin requirements are conservative to be able to withstand market volatility and scenarios of sharply declining prices. As a result, Company follows conservative lending norms. The Company centralises the risk monitoring systems to monitor it's client's credit exposure which is in addition to the monitoring undertaken by the respective businesses.

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee holds regular meetings and report to board on its activities.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(c) Risk mitigation and risk culture

The Company's business processes ensure complete independence of functions and a segregation of responsibilities. Credit appraisal & credit control processes, centralised operations unit, independent audit unit for checking compliance with the prescribed policies and approving loans at transaction level as well as our risk management processes and policies allow layers of multiple checks and verifications. Company's key business processes are regularly monitored by the business and/or operation heads. Company's loan approval and administration procedures, collection and enforcement procedures are designed to minimise delinquencies and maximise recoveries.

At all levels of operations, specifically tailored risk reports are prepared and distributed in order to ensure that all business divisions have access to extensive, necessary and up–to–date information.

It is the Company's policy that a Quarterly briefing is given to the Board of Directors and all other relevant stakeholder on the utilisation of market limits, proprietary investments and liquidity, plus any other risk developments.

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to, that they decide to take on. The Company's continuous training and development emphasises that employees are made aware of the Company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within it's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

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Edelweiss Housing Finance Limited Mumbai

(d) Types of Risks

The Company's risks are generally categorized in the following risk types:

Risk	Exposure Arising from	Measurement	Management of risk
Credit Risk	Cash equivalents, trade receivables, financial assets measured at amortised cost.	Aging Analysis, Credit Ratings	Credit limits and regular monitoring.
Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of surplus cash, committed credit lines and borrowing facilities
Market Risk	Investments in Government Securities, Treasury Bills, Equity Shares, Futures & Options	Cash flow forecasting Sensitivity analysis	Regular monitoring to keep the exposure at an acceptable level, with option of taking Interest Rate Swaps/Futures if deemed necessary.

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Edelweiss Housing Finance Limited ★ Mumbai ★

46.1. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's loans and trade receivables. The Company has a policy of dealing with creditworthy counterparties and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. In case the loans are to be restructured, similar credit assessment process is followed by the Company.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties/Groups (Single Borrowing Limit/Group Borrowing Limit) and for industry concentrations, and by monitoring exposures in relation to such limits.

Credit quality of a customer is assessed based on its credit worthiness and historical dealings with the Company and market intelligence. Outstanding customer receivables are regularly monitored. The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

(a) Impairment Assessment:

The Company applies the expected credit loss model for recognising impairment loss. The expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The expected credit loss is a product of exposure at default, probability of default and loss given default. The Company has devised an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS. Accordingly, the loans are classified into various stages as follows:

Internal rating grade	Internal grading description	Stages
Performing		
High grade	0 dpd and 1 to 30 dpd*	Stage I
Standard grade	31 to 90 dpd*	Stage II
Credit Impaired		
Individually impaired	NPA**	Stage III

*Excluding non performing asset (NPA)

**Represent loan assets classified as NPA as per the extant RBI guidelines

(b) Expected Credit Loss

Credit loss is the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Expected Credit Loss (ECL) computation is not driven by any single methodology, however methodology and approach used must reflect the following:

- An unbiased and probability weighted amount that evaluates a range of possible outcomes

- Reasonable and supportable information that is available without undue cost and effort at the reporting date about past events, current conditions and forecasts of future economic conditions;

- Time value of money

While the time value of money element is currently being factored into ECL measurement while discounting cash flows by the Effective Interest Rate (EIR), the objective of developing a macroeconomic model using exogenous macroeconomic variables (MEVs) is to address the first two requirements. This has been achieved by using the model output to adjust the PD risk component in order to make it forward looking and probability-weighted.

(c) Significant increase in credit risk (SICR)

Company considers a financial instrument defaulted, classified as Stage 3 (credit-impaired) for ECL calculations, in all cases when the borrower becomes 90 days past due or classified as non performing asset (NPA) as per RBI guidelines. Classification of assets form stage 1 to stage 2 has been carried out based on SICR criterion. Accounts which are more than 30 days past due have been identified as accounts where significant increase in credit risk has been observed. These accounts have been classified as Stage 2 assets. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

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(d) **Probability of Default**

Probability of default (PD) is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the Company. While arriving at the PD, the Company also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. Company calculates the 12 month PD by taking into account the past historical trends of the Loans/portfolio and its credit performance. In case of assets where there is a significant increase in credit risk / credit impaired assets, lifetime PD has been applied.

(e) **Loss Given Default (LGD)**

The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money. The Loss Given Default (LGD) has been computed with workout methodology. Along with actual recoveries, value of the underlying collateral has been factored in to estimate future recoveries in LGD computation. Workout LGD computation involves the actual recoveries as well as future recoveries (as a part of the workout process) on a particular facility, as a percentage of balance outstanding at the time of Default/Restructuring. The assessment of workout LGD was then performed. Principal outstanding each loan was assessed, which went into the denominator of the LGD calculation. LGD computation has been done for each segment and sub-segment separately.

(f) **Exposure at Default (EAD)**

The amount which the borrower will owe to the portfolio at the time of default is defined as Exposure at Default (EAD). While the drawn credit line reflects the explicit exposure for the Company, there might be variable exposure that may increase the EAD. These exposures are of the nature where the Company provides future commitments, in addition to the current credit. Therefore, the exposure will contain both on and off balance sheet values. The value of exposure is given by the following formula:

EAD = Drawn Credit Line + Credit Conversion Factor * Undrawn Credit Line

Where,

Drawn Credit Line = Current outstanding amount

Credit Conversion Factor (CCF) = Expected future drawdown as a proportion of undrawn amount

Undrawn Credit Line = Difference between the total amount which the Company has committed and the drawn credit line While the drawn exposure and limits for the customer are available, the modelling of CCF is required for computing the EAD

(g) **Forward looking adjustments**

"A measure of ECL is an unbiased probability-weighted amount that is determined by evaluating a range of possible outcomes and using reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions."

To fulfil the above requirement Company has incorporated forward looking information into its measurement of ECL. The objective of developing a macroeconomic model using exogenous macroeconomic variables (MEVs) is to address the requirements of unbiased, probability weighted outcomes while taking into account current conditions as well as future economic conditions. This will be achieved by using the model output to adjust the PD risk component in order to make it forward looking and probability-weighted.

Exogenous macroeconomic parameters were used as independent (X) variables to predict the dependent (Y) variable. The Company formulates base case view of the future direction of relevant economic variable as well as a representative range of other possible forecast scenario. This involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome.

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(h) Data sourcing

The Company is expected to obtain reasonable and supportable information that is available without undue cost or effort. Keeping in mind the above requirement macroeconomic information was aggregated from various research database like Economic Intelligence Unit (EIU), Bloomberg, World Bank, RBI database etc. The EIU data has a database of around 150 macroeconomic variables as well as their forecasted values. Beyond 2022 macro-economic variables are forecasted by mean reverting the values to their long term average. External information includes economic data and forecasts published by governmental bodies and monetary authorities in the country, supranational organisations such as the OECD and the IMF, and selected private sector and academic forecasters.

(i) Probability weighted scenario creations:

To incorporate macroeconomic impact into probability-weighted, each scenario has an associated probability. In order to ensure consistency across macroeconomic models, these probabilities were calculated at an overall level for both Retail and Non-Retail portfolios, considering the impact of a scenario across different portfolios may differ based on endogenous factors, the probability of a scenario unfolding is purely exogenous, and hence should not vary.

The Company has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and using an analysis of historical data, has estimated relationship between marco-economic variables and credit risk and credit losses.

Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assess have been developed based on analysing historical data over the past years.

(j) Impact of COVID-19

The uncertainty on account of COVID-19 outbreak continues to have adverse effect across the world economy including India. However, recent results from the industry is showing signs of revival signalling a return in economic growth. The impact of the COVID-19 pandemic, on Company's results, including gain/loss on fair value changes, investment, remains uncertain and dependent on actual visibility of growth over coming quarters and steps taken by the government and other regulators to mitigate the economic impact and foster speedier growth. Further, the Company has assessed the impact of the COVID-19 pandemic on its liquidity and ability to repay its obligations as and when they are due. Management has considered various financial support from banks and other fundraising opportunities in determining the Company's liquidity position over the next 12 months. Based on the foregoing and necessary stress tests considering various scenarios, management believes that the Company will be able to pay its obligations as and when these become due in the foreseeable future. In assessing the recoverability of loans, receivables, deferred tax assets and investments, the Company has considered internal and external sources of information, including credit reports, economic forecasts and industry reports up to the date of approval of these financial results. Since the situation continue to evolve, its effect on the operations of the Company may be different from that estimated as at the date of approval of these financial results. The Company will continue to closely monitor material changes in markets and future economic conditions

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46.1.1. Risk concentration

The following table shows the risk concentration by industry for the components of the balance sheet. Additional disclosures for credit quality and the maximum exposure for credit risk per categories based on the Company's internal credit assessment system and year-end stage classification are further disclosed in Note 10.

Industry analysis

As at March 31, 2022	Financial services	Retail - Housing	Retail - Non Housing	Construction	Total
Financial assets					
Cash and cash equivalent and other bank balances	5,002.35	-	-	-	5,002.35
Securities held for trading	-	-	-	-	-
Trade receivables	56.78	-	-	-	56.78
Loans	1,505.90	18,157.87	9,724.74	1,575.68	30,964.41
Investments	2,618.06	-	-	-	2,618.06
Other financial assets	571.82	-	-	-	571.82
	9,754.91	18,157.87	9,724.74	1,575.68	39,213.42
Loan Commitments	-	871.90	0.01	-	871.91
Total	9,754.91	19,029.77	9,724.75	1,575.68	40,085.33

As at March 31, 2021	Financial services	Retail - Housing	Retail - Non Housing	Construction	Total
Financial assets					
Cash and cash equivalent and other bank balances	10,291.11	-	-	-	10,291.11
Securities held for trading	155.83	-	-	-	155.83
Trade receivables	104.02	-	-	-	104.02
Loans	1,516.31	20,474.41	12,779.91	1,187.96	35,958.59
Investments	1,600.86	-	-	-	1,600.86
Other financial assets	916.75	-	-	-	916.75
	14,584.88	20,474.41	12,779.91	1,187.96	49,027.16
Loan Commitments	-	1,216.08	65.18	-	1,281.26
Total	14,584.88	21,690.49	12,845.09	1,187.96	50,308.42

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46.1.2. Collateral held and other credit enhancements

(a) The tables on the following pages show the maximum exposure to credit risk by class of financial asset along with details of principal type of collateral:

	Maximum exposure to credit risk (carrying amount before ECL) As at March 31, 2022	As at March 31, 2021	Principal type of collateral
Financial assets			
Loans (at amortised cost):			
Retail Loans	29,703.92	34,718.61	Property; book receivables
Wholesale Loans	1,728.16	218.48	Property; book receivables and liquid securitie:
Total (A)	**31,432.08**	34,937.08	
Loan commitments	871.90	1,281.26	Property; book receivables
Total (B)	**871.90**	1,281.26	
Total (A + B)	**32,303.98**	36,218.34	

(b) **Financial assets that are stage 3 and related collateral held in order to mitigate potential losses are given below:**

As at March 31, 2022

	Maximum exposure to credit risk (carrying amount before ECL)	Associated ECL	Carrying amount	Fair value of collateral
Financial assets				
Loans	**627.29**	**166.10**	**461.19**	**1,041.20**
Total (A)	**627.29**	**166.10**	**461.19**	**1,041.20**
Loan commitments (Retail)	**3.94**	**1.68**	**2.26**	**6.53**
Total (B)	**3.94**	**1.68**	**2.26**	**6.53**
Total (A + B)	**631.23**	**167.78**	**463.45**	**1,047.73**

As at March 31, 2021

Financial assets				
Loans	1,275.82	129.86	1,145.96	1,850.70
Total (A)	1,275.82	129.86	1,145.96	1,850.70
Loan commitments	13.98	1.40	12.58	20.28
Total (B)	13.98	1.40	12.58	20.28
Total (A + B)	1,289.80	131.26	1,158.54	1,870.98

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46.1.3. Overview of modified and forborne loans

The table below includes assets that were modified and, therefore, treated as forborne during the year, with the related modification gain / (loss) suffered by the Company.

Particulars	**For the year ended March 31, 2022**	For the year ended March 31, 2021
Amortised costs of financial assets modified during the year	**1,279.54**	241.29
Net modification gain / (loss)	**67.05**	12.54

46.1.4. Transfer of financial assets

(a) Transferred financial assets that are not derecognised in their entirety

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

	As at March 31, 2022	As at March 31, 2021
Securitisations		
Carrying amount of transferred assets *(held as Collateral)*	**7,862.64**	5,339.87
Carrying amount of associated liabilities	**7,804.87**	5,288.95
Fair value of assets	**8,481.31**	5,588.36
Fair value of associated liabilities	**7,804.87**	5,288.95
Net position at FV	**676.44**	299.41

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46.2. Liquidity Risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances.

The company has financing arrangement from banks/ financial institutions in form of committed credit lines.

46.2.1. Analysis of non-derivative financial assets and liabilities by remaining contractual maturities

As at March 31, 2022	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
A. Financial Assets											
Cash and cash equivalent and other bank balances	2,026.13	1,112.07	45.22	858.22	5.15	-	934.95	20.61	-	-	5,002.35
Securities held for trading	-	-	-	-	-	-	-	-	-	-	-
Trade receivables	-	-	-	56.78	-	-	-	-	-	-	56.78
Loans	-	413.18	187.44	669.01	884.01	2,004.34	6,149.35	13,271.67	5,022.34	21,977.32	50,578.66
Investments	-	-	319.70	-	-	-	-	400.00	400.00	1,498.36	2,618.06
Other financial assets	-	-	252.89	1.04	-	-	1.43	-	21.48	294.98	571.82
Total undiscounted financial assets	2,026.13	1,525.25	805.25	1,585.05	889.16	2,004.34	7,085.73	13,692.28	5,443.82	23,770.66	58,827.67
B. Financial Liabilities											
Trade payables	-	-	-	146.51	-	-	-	-	-	-	146.51
Debt securities	-	2.02	37.15	1,603.25	883.52	394.06	58.76	1,045.12	4,779.58	1,808.82	10,612.28
Borrowings (other than debt securities)	-	-	85.90	88.76	3,205.33	1,591.31	3,492.14	6,993.84	374.72	186.41	16,018.41
Subordinated financial liabilities	-	-	-	-	-	-	56.25	112.50	612.50	-	781.25
Other financial liabilities	-	22.09	691.06	212.23	179.09	355.40	802.69	2,422.94	439.26	3,424.72	8,549.48
Total undiscounted financial liabilities	-	24.11	814.11	2,050.75	4,267.94	2,340.77	4,409.84	10,574.40	6,206.06	5,419.95	36,107.93
Net financial assets / (liabilities)	2,026.13	1,501.14	(8.86)	(465.71)	(3,378.78)	(336.43)	2,675.89	3,117.88	(762.24)	18,350.71	22,719.74

Note - The company has financing arrangement from banks/ financial institutions in form of committed credit lines. Undrawn committed credit lines as at March 31, 2022 is Rs. 988.56 million.

46.2.2. The table below shows the expected maturity of the Company's loan commitments

	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Undrawn loan commitments	-	611.30	43.35	41.19	63.28	34.92	65.60	12.27	-	-	871.91
Total	-	611.30	43.35	41.19	63.28	34.92	65.60	12.27	-	-	871.91

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As at March 31, 2021	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
A. Financial Assets											
Cash and cash equivalent and other bank balances	1,972.39	7,484.66	-	-	-	26.51	790.24	-	17.31	-	10,291.11
Securities held for trading	-	65.72	-	-	-	90.11	-	-	-	-	155.83
Trade receivables	-	-	-	104.02	-	-	-	-	-	-	104.02
Loans	-	573.41	203.95	878.57	1,146.76	2,571.99	6,045.49	16,906.17	7,120.66	29,818.88	65,265.88
Investments	-	-	-	-	-	-	-	-	-	1,600.86	1,600.86
Other financial assets	-	-	242.61	64.56	205.33	-	8.40	30.00	-	365.84	916.75
Total undiscounted financial assets	1,972.39	8,123.79	446.56	1,047.15	1,352.09	2,688.61	6,844.13	16,936.17	7,137.97	31,785.58	78,334.45
B. Financial Liabilities											
Trade payables	-	-	-	72.28	-	-	-	-	-	-	72.28
Debt securities	-	2.02	268.90	57.38	83.44	1,330.70	3,057.41	3,386.38	1,082.88	6,328.96	15,598.07
Borrowings (other than debt securities)	-	1,200.00	135.86	794.98	2,315.86	1,984.47	4,197.87	12,347.27	2,042.56	623.99	25,642.86
Subordinated financial liabilities	-	-	-	-	-	-	56.25	112.50	561.18	-	729.93
Other financial liabilities	-	271.09	1,106.52	250.25	157.91	235.69	476.15	1,622.71	304.56	2,284.90	6,709.79
Total undiscounted financial liabilities	-	1,473.11	1,511.28	1,174.89	2,557.21	3,550.86	7,787.68	17,468.86	3,991.18	9,237.85	48,752.93
Net financial assets / (liabilities)	1,972.39	6,650.68	(1064.72)	-127.74	(1,205.12)	-862.25	-943.55	(532.69)	3,146.79	22,547.73	29,581.52

Note - The company has financing arrangement from banks/ financial institutions in form of committed credit lines Undrawn committed credit lines as at March 31, 2021 is Rs 1,400.70 million

46.2.2. **The table below shows the expected maturity of the Company's loan commitments**

	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Undrawn loan commitments	-	1,207.83	11.30	15.60	7.35	16.44	13.05	9.69	-	-	1,281.26
Total	-	1,207.83	11.30	15.60	7.35	16.44	13.05	9.69	-	-	1,281.26

(Currency : Indian rupees in millions)

46.2. Liquidity Risk

46.2.3. Financial assets available to support future funding

Following table sets out the availability of Company's financial assets to support funding

As at March 31, 2022	**Encumbered**		**Unencumbered**		**Total carrying amount**
	Pledge as collateral	**Contractually/ legally restricted assets [1]**	**Available as collateral**	**others [2]**	
Cash and cash equivalent including bank balance	**2,929.10**	**2,073.25**	-	-	**5,002.35**
Securities held for trading	-	-	-	-	-
Trade receivables	**56.78**	-	-	-	**56.78**
Loans	**22,361.06**	**7,366.54**	**1,236.81**	-	**30,964.41**
Investments	-	-	**2,618.06**	-	**2,618.06**
Property, Plant and Equipment	**1.21**	-	-	-	**1.21**
Other financial assets	**276.84**	**294.98**	-	-	**571.82**
Total assets	**25,624.99**	**9,734.78**	**3,854.87**	-	**39,214.63**

As at March 31, 2021	Encumbered		Unencumbered		Total carrying amount
	Pledge as collateral	Contractually/ legally restricted assets [1]	Available as collateral	others [2]	
Cash and cash equivalent including bank balance	9,463.05	828.06	-	-	10,291.11
Securities held for trading	155.83	-	-	-	155.83
Trade receivables	104.02	-	-	-	104.02
Loans	29,106.20	6,294.15	558.24	-	35,958.59
Investments	-	1,600.86	-	-	1,600.86
Property, Plant and Equipment	1.21	-	-	-	1.21
Other financial assets	166.58	365.84	384.33	-	916.75
Total assets	38,996.89	9,088.91	942.57	-	49,028.37

1 Represents assets which are not pledged and the Company believes it is restricted from using to secure funding for legal or other reasons

2 Represents assets which are not restricted for use as collateral, but that the Company would not consider readily available to secure funding in the normal course of business

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46.3. Market Risk

Market risk is the risk associated with the effect of changes in market factors such as interest rates, equity prices, credit spreads or implied volatilities, on the value of assets and liabilities held resulting in loss of future earnings. The objective of the Company's market risk management is to manage and control market risk exposures within acceptable parameters. The Company separates its exposure to market risks between trading and non-trading portfolios.

Exposure to market risk – Non trading portfolios

Interest rate risk - The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands.

ALCO is the monitoring body for compliance with these limits. ALCO reviews the interest rate gap statement and the mix of floating and fixed rate assets and liabilities. Balance Sheet Management Unit is in-charge for day to day management of interest rate risk.

46.3.1 Market risk exposure

The fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates. The Company classifies its exposures to market risk into non–trading portfolios.

Particulars	As at March 31, 2022			As at March 31, 2021			Primary risk sensitivity
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk	
Financial Assets							
Cash and cash equivalent and other bank balances	5,002.35	-	5,002.35	10,291.11	-	10,291.11	Interest rate
Securities held for trading	-	-	-	155.83	155.83	-	Interest rate / Price risk
Loans	30,964.41	-	30,964.41	35,958.59	-	35,958.59	Interest rate
Investments	2,618.06	-	2,618.06	1,600.86	-	1,600.86	Interest rate
Trade receivables	56.78	-	56.78	104.02	-	104.02	
Other financial assets	571.82	-	571.82	916.75	-	916.75	
Total	39,213.42	-	39,213.42	49,027.16	155.83	48,871.33	
Financial Liabilities							
Debt securities	7,935.92	-	7,935.92	11,676.75	-	11,676.75	Interest rate
Borrowings (other than Debt Securities)	14,485.73	-	14,485.73	22,628.38	-	22,628.38	Interest rate
Subordinated liabilities	508.63	-	508.63	508.61	-	508.61	Interest rate
Trade payables	146.51	-	146.51	72.28	-	72.28	
Other liabilities	8,549.48	-	8,549.48	6,709.79	-	6,709.79	Interest rate
Total	31,626.27	-	31,626.27	41,595.81	-	41,595.81	

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46.3. Market Risk

46.3.2 Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows of financial instruments. The sensitivity of the statement of profit and loss is the effect of the assumed changes in interest rates on the profit or loss for a year, based on the floating rate non–trading financial assets and financial liabilities held as at year end.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss and equity.

INR Loans

For the year ended	Increase/ (Decrease) in basis points	Increase in profit after tax	Decrease in profit after tax	Increase in Equity	(Decrease) in Equity
INR Loans					
March 31, 2022	25/(25)	30.92	(30.92)	30.92	(30.92)
March 31, 2021	25/(25)	35.74	(35.74)	35.74	(35.74)
INR Borrowings					
March 31, 2022	25/(25)	(39.02)	39.02	(39.02)	39.02
March 31, 2021	25/(25)	(40.05)	40.05	(40.05)	40.05

(Currency : Indian rupees in millions)

47.1. Fair Value measurement:

A. Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques:

Level 1 – valuation technique using quoted market price: financial instruments with quoted prices for identical instruments in active markets that company can access at the measurement date.

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

Level 3 – valuation technique with significant unobservable inputs: Those that include one or more unobservable input that is significant to the measurement as whole.

Refer note 3.11 for more details on fair value hierarchy

B. Valuation governance framework

The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by various functions of the Company including the risk and finance functions.

Where fair values are determined by reference to externally quoted prices or observable pricing inputs to models, independent price determination or validation is used. For inactive markets, Company sources alternative market information, with greater weight given to information that is considered to be more relevant and reliable.

The responsibility of ongoing measurement resides with the business and product line divisions. However finance department is also responsible for establishing procedures governing valuation and ensuring fair values are in compliance with accounting standards.

C. The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy

As at March 31, 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets measured at fair value on a recurring basis				
Other financial assets				
Security receipts	-	-	2,618.06	2,618.06
Total financial instruments measured at fair value - C	**-**	**-**	**2,618.06**	**2,618.06**

As at March 31, 2021	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Other financial assets				
Security receipts	-	-	1,600.86	1,600.86
Total financial instruments measured at fair value - C	-	-	1,600.86	1,600.86

D. Valuation techniques:

Security receipts

The market for these Security receipts is not active. Therefore, the Company uses valuation techniques to measure their fair values. Since the security receipts are less liquid instruments therefore they are valued by discounted cash flow models. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers. Securities receipts with significant unobservable valuation inputs are classified as Level 3

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47.1. Fair Value measurement:

E. There have been no transfers between levels during the year ended March 31, 2022 and March 31, 2021.

F. The following table shows a reconciliation of the opening balances and the closing balances for fair value measurements in Level 3 of the fair value hierarchy.

Financial year ended March 2022	Security receipts	Total
Investments - at April 1, 2021	**1,600.86**	**1,600.86**
Purchase	1,636.93	1,636.93
Sale/Redemption proceeds	(639.50)	(639.50)
Profit for the year recognised in profit or loss	19.77	19.77
Investments - at March 31, 2022	**2,618.06**	**2,618.06**
Unrealised gain/(Loss) related to balances held at the end of the year	19.77	19.77

Financial year ended Mareh 2021	Security receipts	Total
Investments - at April 1, 2020	**1,044.73**	**1,044.73**
Purchase	613.53	613.53
Sale/Redemption proceeds	(57.40)	(57.40)
Profit for the year recognised in profit or loss	-	-
Investments - at March 31, 2021	1,600.86	1,600.86
Unrealised gain/(Loss) related to balances held at the end of the year	-	-

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47.1. Fair Value measurement:

G. Impact on fair value of level 3 financial instrument of changes to key unobservable inputs

The below table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Company's Level 3 Instruments i.e. Securities receipts. The range of values indicates the highest and lowest level input used in the valuation technique and, as such, only reflects the characteristics of the instruments as opposed to the level of uncertainty to their valuation. Relationships between unobservable inputs have not been incorporated in this summary.

Type of Financial Instruments	Fair value of asset as on 31 March 2022	Valuation techniques	Significant unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value	Decrease in the unobservable input	Change in fair value
Security receipts	2,618.06	Discounted Cash flow. The present value of expected future economic benefits to be derived from the ownership of the underlying investments of the Trust.	Expected future cash flows	3,465.33	5% increase in Expected future Cash flow	144.95	5% Decrease in Expected future Cash flow	(144.95)
			Risk-adjusted discount rate	12.00%	0.5% increase in Risk-adjusted discount rate	(11.64)	0.5% Decrease in Risk-adjusted discount rate	11.74

Type of Financial Instruments	Fair value of asset as on 31 March 2021	Valuation techniques	Significant unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value	Decrease in the unobservable input	Change in fair value
Security receipts	1,600.86	Discounted Cash flow. The present value of expected future economic benefits to be derived from the ownership of the underlying investments of the Trust.	Expected future cash flows	1,881.22	5% increase in Expected future Cash flow	78.41	5% Decrease in Expected future Cash flow	(78.41)
			Risk-adjusted discount rate	12.00%	0.5% increase in Risk-adjusted discount rate	(7.11)	0.5% Decrease in Risk-adjusted discount rate	7.18

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47.2. Financial instruments not measured at fair value

The following table sets out the fair values of financial instruments not measured at fair value and analysing them by the level in the fair value hierarchy into which each fair value measurement is categorised.

As on March 31, 2022	Total Carrying Amount	Total fair value	Level 1	Level 2	Level 3
Financial assets:					
Loans	30,964.41	32,083.90	-	-	32,083.90
Total	30,964.41	32,083.90	-	-	32,083.90
Financial liabilities					
Debt securities	7,935.92	8,097.44	-	8,097.44	-
Borrowing (other than debt securities)	1,324.40	1,320.75	-	1,320.75	-
Subordinated liabilities	508.63	508.48	-	508.48	-
Total	9,768.95	9,926.67	-	9,926.67	-
Off-balance sheet items					
Loan commitments	871.91	435.96	-	-	435.96
Total	871.91	435.96	-	-	435.96
As on March 31, 2021					
Financial assets:					
Loans	35,958.59	37,150.32	-	-	37,150.32
Total	35,958.59	37,150.32	-	-	37,150.32
Financial liabilities					
Debt securities	11,676.75	11,952.14	-	11,952.14	-
Borrowing (other than debt securities)	2,540.58	2,592.38	-	2,592.38	-
Subordinated liabilities	508.61	508.44	-	508.44	-
Total	14,725.94	15,052.97	-	15,052.97	-
Off-balance sheet items					
Loan commitments	1,281.26	640.63	-	-	640.63
Total	1,281.26	640.63	-	-	640.63

Valuation Methodologies of Financial Instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions explained in notes.

Short Term Financial Assets and Liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value. Such instruments include: Trade receivables, balances other than cash and cash equivalents, trade payables and contract liability without a specific maturity. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

Financial assets at amortised cost

The fair values of financial assets measured at amortised cost are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk. In case of floating interest rate linked loans, since such loans are subject to repricing periodically (less than twelve months), with the interest rate reflecting current market price. Hence carrying value of such loans is deemed to be equivalent of fair value.

Issued Debt

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Company's own credit risk.

Financial liabilities at amortised cost

The fair values of financial liabilities measured at amortised cost are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields. In case of floating interest rate linked borrowings, since such borrowings are subject to repricing periodically (less than twelve months), with the interest rate reflecting current market price. Hence carrying value of such borrowings is deemed to be equivalent of fair value.

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48. Trade receivables

Provision matrix for Trade receivables

Particulars	Trade receivables days past due	1-90days	91-180 days	181-365 days	more than 365 days	Total
ECL rate		1.88%	12.11%	0.00%	100.00%	
As at March 31, 2022	Estimated total gross carrying amount at default	**46.70**	**12.47**	-	**3.80**	**62.97**
	ECL - Simplified approach	**(0.88)**	**(1.51)**	-	**(3.80)**	**(6.19)**
	Net carrying amount	**45.82**	**10.96**	-	-	**56.78**
As at March 31, 2021	Estimated total gross carrying amount at default	104.36	0.00	3.75	0.10	108.21
	ECL - Simplified approach	(2.26)	-	(1.83)	(0.10)	(4.19)
	Net carrying amount	102.10	-	1.92	-	104.02

(Currency : Indian rupees in millions)

49 Details of the loan taken from Banks and other parties

Nature of security and terms of repayment for secured borrowings (other than debentures):
All secured long term borrowings are secured by way of hypothecation of receivables i.e. loans and advances and corporate guarantee from the ultimate holding company and/or holding company.

(a) From Banks
As at March 31, 2022

Month of Maturity / Repayment	Rate of Interest		Total
	<8%	8.00 - 10.00%	
March-2025	-	14.18	14.18
December-2024	101.45	638.18	739.63
September-2024	72.90	-	72.90
June-2024	72.90	689.18	762.08
March-2024	72.90	430.71	503.61
December-2023	72.90	1,180.68	1,253.58
September-2023	72.90	827.59	900.49
June-2023	72.90	1,572.18	1,645.08
March-2023	72.90	933.00	1,005.90
December-2022	127.68	1,751.39	1,879.07
September-2022	114.80	1,150.53	1,265.33
June-2022	128.50	1,790.93	1,919.43
Total	**982.73**	**10,978.55**	**11,961.28**

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49 Details of the loan taken from Banks and other parties

(a) From Banks
As at March 31, 2021

Month of Maturity / Repayment	Rate of Interest		Total
	<8%	8.00 - 10.00%	
December-2024	101.45	638.18	739.63
September-2024	72.90	-	72.90
June-2024	72.90	689.18	762.08
March-2024	72.90	433.84	506.74
December-2023	72.90	1,180.68	1,253.58
September-2023	72.90	828.51	901.41
June-2023	72.90	1,572.18	1,645.08
March-2023	72.90	933.00	1,005.90
December-2022	127.68	1,751.79	1,879.47
September-2022	114.80	1,151.44	1,266.24
June-2022	128.50	1,790.93	1,919.43
March-2022	128.50	1,151.75	1,280.25
December-2021	128.50	1,790.93	1,919.43
September-2021	114.60	1,384.95	1,499.55
June-2021	72.90	2,107.10	2,180.00
Total	1,427.23	17,404.47	18,831.69

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49 Details of the loan taken from Banks and other parties

(b) From The National Housing Bank
As at March 31, 2022

Month of Maturity / Repayment	Rate of Interest			Total
	<6.5%	6.5% to <=8.50%	8.51% to 9.5%	
January-2029	-	4.63	-	4.63
October-2028	-	19.80	-	19.80
July-2028	-	19.80	-	19.80
April-2028	-	19.81	-	19.81
January-2028	-	20.66	-	20.66
October-2027	-	23.89	-	23.89
July-2027	-	32.36	-	32.36
April-2027	-	33.20	-	33.20
January-2027	-	33.20	-	33.20
October-2026	-	33.20	-	33.20
July-2026	-	33.20	-	33.20
April-2026	-	33.20	-	33.20
January-2026	-	33.20	-	33.20
October-2025	-	33.20	-	33.20
July-2025	27.30	33.20	-	60.50
April-2025	30.50	33.20	-	63.70
January-2025	31.45	33.20	-	64.65
October-2024	31.95	33.20	-	65.15
July-2024	39.97	33.20	-	73.17
April-2024	41.21	33.20	-	74.41
January-2024	41.21	33.20	-	74.41
October-2023	41.21	33.20	-	74.41
July-2023	41.21	33.20	-	74.41
April-2023	41.21	33.20	5.99	80.40
January-2023	41.21	33.20	7.24	81.64
October-2022	41.21	33.20	7.24	81.64
July-2022	42.19	33.20	7.24	82.62
Total	**491.83**	**804.87**	**27.70**	**1,324.40**

(Currency : Indian rupees in millions)

49 Details of the loan taken from Banks and other parties

(b) From The National Housing Bank
As at March 31, 2021

Month of Maturity / Repayment	Rate of Interest			Total
	<6.5%	6.5% to <=8.50%	8.51% to 9.5%	
October-2030	-	10.61	-	10.61
July-2030	-	19.80	-	19.80
April-2030	-	19.80	-	19.80
January-2030	-	19.80	-	19.80
October-2029	-	19.80	-	19.80
July-2029	-	20.15	-	20.15
April-2029	-	24.81	-	24.81
January-2029	-	33.06	-	33.06
October-2028	-	33.20	-	33.20
July-2028	-	33.20	-	33.20
April-2028	-	33.20	-	33.20
January-2028	-	33.20	-	33.20
October-2027	-	33.20	-	33.20
July-2027	-	33.20	-	33.20
April-2027	-	33.20	-	33.20
January-2027	-	33.20	-	33.20
October-2026	-	33.20	-	33.20
July-2026	-	33.20	-	33.20
April-2026	-	33.20	-	33.20
January-2026	-	33.20	-	33.20
October-2025	-	33.20	-	33.20
July-2025	27.30	33.20	-	60.50
April-2025	30.50	33.20	-	63.70
January-2025	31.45	33.20	-	64.65
October-2024	31.95	33.20	-	65.15
July-2024	39.97	33.20	-	73.17
April-2024	41.21	33.20	-	74.41
January-2024	41.21	33.20	-	74.41
October-2023	41.21	33.20	-	74.41
July-2023	41.21	33.20	-	74.41
April-2023	41.21	33.20	5.99	80.40
January-2023	41.21	33.20	7.24	81.64
October-2022	41.21	33.20	7.24	81.64
July-2022	42.19	33.20	7.24	82.62
April-2022	44.60	33.20	7.24	85.03
January-2022	44.60	33.20	7.24	85.03
October-2021	44.60	33.20	7.24	85.03
July-2021	44.60	33.20	7.24	85.03
May-2021	650.00	-	-	650.00
Total	1,320.23	1,163.83	56.67	2,540.66

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50 Repayment terms of Secured Non-convertible Debentures are as follow.

As at March 31, 2022

Description of Secured Redeemable Non Convertible Debentures (NCD)	Rate	Issue Date	Redemption Date	No. of NCDs	Amount
EHFL 10.28%, Monthly**	**10.28%**	**18-Mar-2019**	**18-Mar-2029**	**1,500**	**1,500.00**
EHFL/Public NCD/Series VII	**0.00%**	**19-Jul-2016**	**19-Jul-2026**	**59,841**	**59.84**
EHFL/Public NCD/Series VI	**10.00%**	**19-Jul-2016**	**19-Jul-2026**	**31,97,061**	**3,197.06**
EHFL/Public NCD/Series V	**9.57%**	**19-Jul-2016**	**19-Jul-2026**	**2,48,424**	**248.42**
EHFL/NCD/29Apr26	**9.62%**	**29-Apr-2016**	**29-Apr-2026**	**250**	**250.00**
EHFL/NCD/30Jun22	**8.55%**	**30-Jun-2017**	**30-Jun-2022**	**100**	**100.00**
EHFL_Reisssuance	**8.55%**	**12-Jul-2017**	**30-Jun-2022**	**200**	**200.00**
EHFL/NCD/21Jun22	**8.55%**	**21-Jun-2017**	**21-Jun-2022**	**500**	**500.00**
EHFL/NCD/19May22	**8.55%**	**19-May-2017**	**19-May-2022**	**500**	**500.00**
EHFL/NCD/18May22	**9.25%**	**18-Nov-2020**	**18-May-2022**	**1,000**	**1,000.00**
Total					**7,555.33**

**All Secured NCDs are fully secured by way of mortgage of identified immovable property as stated in the respective debenture trust deed(s) and/ or by way of charge/ hypothecation of book debts/ receivables/ loan receivables, on first / pari-passu basis, to the extent stated in the respective information memorandum read with the underlying debenture trust deed.

As at March 31, 2021

Description of Secured Redeemable Non Convertible Debentures (NCD)	Rate	Issue Date	Redemption Date	No. of NCDs	Amount
EHFL 10.28%, Monthly**	10.28%	18-Mar-2019	18-Mar-2029	1,500	1,500.00
EHFL/Public NCD/Series VII	0.00%	19-Jul-2016	19-Jul-2026	59,841	59.84
EHFL/Public NCD/Series VI	10.00%	19-Jul-2016	19-Jul-2026	33,47,060	3,347.06
EHFL/Public NCD/Series V	9.57%	19-Jul-2016	19-Jul-2026	2,48,424	248.42
EHFL/NCD/29Apr26	9.62%	29-Apr-2016	29-Apr-2026	250	250.00
EHFL/NCD/30Jun22	8.55%	30-Jun-2017	30-Jun-2022	100	100.00
EHFL_Reisssuance	8.55%	12-Jul-2017	30-Jun-2022	200	200.00
EHFL/NCD/21Jun22	8.55%	21-Jun-2017	21-Jun-2022	500	500.00
EHFL/NCD/19May22	8.55%	19-May-2017	19-May-2022	500	500.00
EHFL/NCD/18May22	9.25%	18-Nov-2020	18-May-2022	1,000	1,000.00
EHFL/NCD/04Mar22	9.25%	04-Sep-2020	04-Mar-2022	750	750.00
EHFL/NCD/14Feb22	9.25%	14-Aug-2020	14-Feb-2022	1,000	1,000.00
EHFL/NCD/03Jan22	9.05%	03-Jul-2020	03-Jan-2022	1,000	1,000.00
EHFL/Public NCD/Series IV	0.00%	19-Jul-2016	19-Jul-2021	41,498	41.50
EHFL/Public NCD/Series III	9.75%	19-Jul-2016	19-Jul-2021	4,42,341	442.34
EHFL/NCD/15Apr21	0.00%	22-Mar-2018	15-Apr-2021	178	178.00
Total					11,117.16

**All Secured NCDs are fully secured by way of mortgage of identified immovable property as stated in the respective debenture trust deed(s) and/ or by way of charge/ hypothecation of book debts/ receivables/ loan receivables, on first / pari-passu basis, to the extent stated in the respective information memorandum read with the underlying debenture trust deed.

(Currency : Indian rupees in millions)

51 **Details of Unsecured Subordinated Debentures**

As at March 31, 2022

Description of Unsecured Redeemable Non Convertible Debentures (NCD)	CouponRate	Issue Date	Redemption Date	No. of NCDs	Amount
EHFL/NCD/3May2025	11.25%	04-Feb-2015	03-May-2025	500	500.00
					500.00

As at March 31, 2021

Description of Unsecured Redeemable Non Convertible Debentures (NCD)	CouponRate	Issue Date	Redemption Date	No. of NCDs	Amount
EHFL/NCD/3May2025	11.25%	04-Feb-2015	03-May-2025	500	500.00
					500.00

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52. Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements from its regulators and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

(a) The Pillars of its policy are as follows:

a) Maintain diversity of sources of financing and spreading the maturity across tenure buckets in order to minimize liquidity risk.

b) Maintain investment grade ratings for all its liabilities issuances domestically and internationally by ensuring that the financial strength of their balance sheets are preserved.

c) Manage financial market risks arising from Interest rate, equity prices and minimise the impact of market volatility on earnings.

d) Leverage optimally in order to maximise shareholder returns while maintaining strength and flexibility of balance sheet.

This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment

(b) Regulatory Capital

The below regulatory capital is computed in accordance with the relevant regulatory guidelines.

Particulars	**As at March 31, 2022**	As at March 31, 2021
Capital Funds		
Common Equity Tier1 (CET1) capital	**6,086.73**	6,676.41
Other Tier 2 capital instruments (CET2)	**-**	-
Total capital	**6,086.73**	6,676.41
Risk weighted assets	**21,526.01**	25,205.72
CET1 Capital ratio	**28.28%**	26.49%
CET2 Capital ratio	**0.00%**	0.00%
Total Capital ratio	**28.28%**	26.49%

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53. Other disclosures

(i) Disclosure under Regulation 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Related Party transactions

Particulars	As at March 31, 2022	As at March 31, 2021
Loans and advances in the nature of loans to subsidiaries	-	-
Loans and advances in the nature of loans to associates	-	-
Loans and advances in the nature of loans to firms/companies in which directors are interested	16.64	1,009.71
Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan	-	-

(ii) Disclosure Large Corporate as per the applicability criteria given under the SEBI circular SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018.

Initial Disclosure to be made by an entity identified as a Large Corporate

Sr. No.	Particulars	Details
1	Name of the Company	Edelweiss Housing Finance Limited
2	CIN	U65922MH2008PLC182906
3	Outstanding borrowing of Company as on March 31, 2022	22,930.28
4	Highest Credit Rating during the previous FY along with name of the Credit Rating Agency	As per Table 1 below
5	Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	BSE LIMITED

Table 1

Product	Credit Rating	Name of Rating Agency
Bank Borrowings	A+	ICRA Limited
Bank Borrowings	AA-	CRISIL
Bank Borrowings	A+	CARE Limited
Commercial Papers	A1+	CARE Limited
Commercial Papers	A1+	CRISIL
Long Term Sub-Debt	A+	CARE Limited
Long Term Sub-Debt	A+	ICRA Limited
Long Term-NCD	AA-	Brickwork Ratings
Long Term-NCD	A+	ICRA Limited
Long Term-NCD	AA-	CRISIL
Long Term-NCD	A+	CARE Limited
Perpetual - Debt	A+	Brickwork Ratings
Long Term-NCD	AA	ACUITE

6. Details of incremental borrowings during the year ended March 31, 2022

S No.	Particulars	Details
i.	2-year block period (Specify financial years)	FY 2021-22 and FY 2022-23
ii.	Incremental borrowing done in FY (a)	-
iii.	Mandatory borrowing to be done through issuance of debt securities in FY (b) = (25% of a)	-
iv.	Actual borrowings done through debt securities in FY (c)	-
v.	Shortfall in the mandatory borrowing through debt securities, if any, for FY (T-1) carried forward to FY (T).	NA
vi.	Quantum of (d), which has been met from (c)- (e)	NA
vii.	Shortfall, if any, in the mandatory borrowing through debt securities for FY (T) {after adjusting for any shortfall in borrowing for FY (T-1) which was carried forward to FY (T)} (f)= (b)-[(c)-(e)] {If the calculated value is zero or negative, write "nil"}	NA

7 Details of penalty to be paid, if any, in respect to previous block :

S No.	Particulars	Details
i.	2-year Block period (Specify financial years)	FY 2021-22 and FY 2022-23
ii.	Amount of fine to be paid for the block, if applicableFine = 0.2% of {(d)-(e)}#	NA

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53. Other disclosures

(iii) Disclosure of ratios

Sr No	Particulars	Mar-22	Mar-21
1	Debt-equity Ratio (refer note 1)	**3.95**	5.25
2	Debt service coverage ratio (DSCR) (refer note 2)	**0.24**	0.23
3	Interest service coverage ratio (ISCR) (refer note 3)	**1.06**	0.98
4	Outstanding redeemable preference shares (quantity and value)	**Nil**	Nil
5	Debenture redemption reserve (Rupees in Millions)	**256.25**	341.32
6	Net worth (refer note 4) (Rupees in Millions)	**7,776.32**	7,627.88
7	Net profit after tax (Rupees in Millions)	**138.07**	37.29
8	Earnings per share (not annualised)		
8.a	Basic (Rupees)	**1.99**	0.54
8.b	Diluted (Rupees)	**1.99**	0.54
9	Total debts to total assets (refer note 5)	**0.78**	0.81
10	Net profit margin (%) (refer note 6)	**2.69%**	0.68%
11	Sector specific equivalent ratios as on March 31, 2022		
	(a) Capital to risk-weighted assets ratio (CRAR) (%)	**28.28%**	26.49%
	(b) Tier I CRAR (%)	**28.28%**	26.49%
	(c) Tier II CRAR (%)	**0.00%**	0.00%
	(d) Stage 3 ratio (gross) (%) (refer note 7)	**1.99%**	3.50%
	(e) Stage 3 ratio (net) (%) (refer note 8)	**1.46%**	3.14%

(a) The Company, being a Housing Finance Company ('HFC'), disclosure of Current ratio, Long term debt to working capital, Bad debts to Account receivable ratio, Current liability ratio, Debtors turnover , Inventory turnover and Operating margin ratio are not applicable

(b) As per RBI guidelines on Liquidity Risk Management Framework, all non-deposit taking HFCs with asset size of Rs. 5,000 crore shall maintain the required level of Liquidity coverage ratio (LCR) starting December 1, 2021 in phased manner from 30% to 100% by December 1, 2025. As at March 31, 2022, the Company's asset size is less than Rs. 5,000 crores and hence minimum LCR maintenance is not mandatory for the Company.

Notes:-

1 Debt-equity Ratio = Total Debt (Debt Securities + Borrowings (other than debt securities) + Subordinated Liabilities + Securitisation Liabilities) / Net worth

2 DSCR = Profit before interest and tax / (Interest expense + Principal repayment of borrowing and securitisation Liability in next twelve months)

3 ISCR = Profit before interest and tax / Interest expense

4 Net worth = Share capital + Share application money pending allotment + Reserves & Surplus – Deferred Tax Assets

5 Total debts to total assets = Total Debt (Debt Securities + Borrowings (other than debt securities) + Subordinated Liabilities + Securitisation Liabilities) / Total assets

6 Net profit margin (%) = Net profit after tax / Revenue from Operations

7 Stage 3 ratio (gross) = Gross Stage 3 loans / Gross Loans

8 Stage 3 ratio (net) = (Gross stage 3 loans - impairment loss allowance for Stage 3) / Gross Loans

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53. Other disclosures

(iv) Relationship with Struck off Companies

Below are the transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

Name of the struck off company	Nature of transactions with struck-off Company	Relationship with the Struck off company, if any, to be disclosed	As on March 31, 2022	As on March 31, 2021
Glossy Creations Private Limited	Receivables	None	0.66	-
	Investments in securities	NA	-	-
	Payables	NA	-	-
	Shares held hy stuck off Company	NA	-	-

(v) Registration of charges or satisfaction with Registrar of Companies (ROC)

No charges or satisfaction yet to be registered with ROC beyond the statutory period by the company.

(vi) Compliance with number of layers of companies

The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(vii) Utilisation of Borrowed funds and share premium

(a) During the year, the company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(b) During the year, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party(Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(viii) Details of Benami Property held

There is no proceedings which have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ix) Undisclosed income

The Company will not have any transaction which was not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

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54. Regulatory disclosures

The following minimum disclosures have been given in accordance with RBI Circular No. RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17,2021 on Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and others relevent regulatory circulars /guidelines issued by RBI/NHB.

(i) **Statutory reserve**

As per Section 29C of the The National Housing Bank Act, 1987 (the "NHB Act"), the company is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared. For this purpose any Special Reserve created by the company under Section 36(1)(viii) of the Income- tax Act, is considered to be an eligible transfer. The company has transferred an amount of Rs. 9.30 million (Previous Year Rs. 3.00 million) to Special Reserve No. II in terms of Section 36(1)(viii) of the Income-tax Act, 1961 and an amount of Rs.18.32 million (Previous Year Rs. 4.46 million) to "Statutory Reserve (As per Section 29C of The NHB Act)".

Reserve Fund under section 29C of National Housing Bank Act, 1987

Particulars		**As at March 31, 2022**	As at March 31, 2021
Balance at the beginning of the year		**Amount**	Amount
a)	Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	**155.66**	151.20
b)	Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under section 29C of the NHB Act, 1987	**392.14**	389.14
c)	**Total**	**547.80**	540.34
Addition/Appropriation/Withdrawal during the year			
Add : a)	Amount transferred u/s 29C of the NHB Act, 1987	**18.32**	4.46
b)	Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under section 29C of the NHB Act, 1987	**9.30**	3.00
Less : a)	Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	**-**	-
b)	Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/ s 29C of the NHB Act, 1987	**-**	-
Balance at the end of the year			
a)	Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	**173.98**	155.66
b)	Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under section 29C of the NHB Act, 1987	**401.44**	392.14
c)	**Total**	**575.42**	547.80

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54. Regulatory disclosures

(ii) *Fraud Reporting*

There were fraud cases reported agreegating to Rs. 29.75 millions (Previous year Rs. 30.28 millions) identified and reported to NHB during the financial year ended on March 31, 2022.

(iii) *Foreign Exchange Transaction and Un-hedged Foreign Currency Risk*

The Company has not undertaken any foreign currency transaction during the year ended March 31, 2022 (Previous year: Rs Nil). Also the company does not have any un-hedged foreign curreny exposure as at March 31, 2022 (Previous year Rs. Nil).

(iv) *Details of dues to micro enterprise and small enterprise*

Trade Payables include Rs.5.19 (Previous year: Rs. Nil) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. Rs 0.05 interest has been paid by the Company during the year to "Suppliers" registered under this Act. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said act.

(v) *Capital to risk assets ratio (CRAR)*

		As at March 31, 2022	As at March 31, 2021
(i)	CRAR (%)	**28.28%**	26.49%
(ii)	CRAR - Tier I capital (%)	**28.28%**	26.49%
(iii)	CRAR - Tier II Capital (%)	**0.00%**	0.00%
(iv)	Amount of subordinated debt raised as Tier-II capital	-	-
(v)	Amount raised by issue of perpetual debt instruments	-	-

(vi) *Investments*

	Value of Investments	As at March 31, 2022	As at March 31, 2021
(i)	Gross value of Investments		
	(a) In India	**2,598.29**	1,600.86
	(b) Outside India	**Nil**	Nil
(ii)	Provisions for Depreciation/appreciation*		
	(a) In India	**19.77**	Nil
	(b) Outside India	**Nil**	Nil
(iii)	Net value of Investments		
	(a) In India	**2,618.06**	1,600.86
	(b) Outside India	**Nil**	Nil
	Movement of provisions held towards depreciation on investments		
(i)	Opening balance	-	Nil
(ii)	Add: Provisions/apprieciation* made during the year	**19.77**	Nil
(iii)	Less: Write-off / Written-bank of excess provisions during the year	-	Nil
(iv)	Closing balance	**19.77**	Nil

*Repersents unrealised gain due to fair values change

(vii) *Derivatives and Long Term Contracts*

The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts has been made in the books of account. The Company has not entered into any derivative contracts during the year. (Previous year Rs. Nil) and hence detailed disclosure is not required.

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54. Regulatory disclosures

(viii) ***Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)***

		As at March 31, 2022	As at March 31, 2021
(i)	The notional principal of swap agreements	Nil	Nil
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	Nil	Nil
(iii)	Collateral required by the HFC upon entering into swaps	Nil	Nil
(iv)	Concentration of credit risk arising from the swaps	Nil	Nil
(v)	The fair value of the swap book	Nil	Nil

(ix) ***Exchange Traded Interest Rate (IR) Derivative***

		As at March 31, 2022	As at March 31, 2021
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year (instrumentwise)	Nil	Nil
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as on March 31, 2022 and March 31, 2021 (instrument-wise)	Nil	Nil
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	Nil	Nil
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	Nil	Nil

(x) ***Disclosures on Risk Exposure in Derivatives***

A. Qualitative Disclosure

The Company has not entered into any derivative contracts during the year. (Previous year Rs. Nil)

B. Quantitative Disclosure

		As at March 31, 2022	As at March 31, 2021
(i)	Derivatives (Notional Principal Amount)	Nil	Nil
(ii)	Marked to Market Positions [1]		
	(a) Assets (+)	Nil	Nil
	(b) Liability (-)	Nil	Nil
(iii)	Credit Exposure [2]	Nil	Nil
(iv)	Unhedged Exposures	Nil	Nil

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(Currency : Indian rupees in millions)

54. Regulatory disclosures

(xi) *Securitisation/ Direct Assignment:*

(a) Disclosures in the notes to the accounts in respect of securitisation transactions as required under revised guidelines on securitization transactions issued by Reserve bank of India vide Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 dated September 24, 2021

	Particulars	As at March 31, 2022	As at March 31, 2021
1	No. of SPVs* sponsored by the HFC for securitisation transactions	5	1
2	Total amount of securitised assets as per books of the SPVs sponsored by the HFC	4,259.23	0.25
3	Total amount of exposures retained by the HFC to comply with MRR as on the date of balance sheet	-	-
	(i) Off-balance sheet exposures towards Credit Enhancements		
	a) First Loss	-	-
	b) Others	-	-
	(ii) On-balance sheet exposures towards Credit Enhancements		
	a) First Loss (Cash Collateral term deposits with Banks)	444.46	-
	b) Series A PTCs/ABS	145.26	-
	C) Others		
4	Amount of exposures to securitisation transactions other than MRR	-	10.60
	(i) Off-balance sheet exposures towards Credit Enhancements		
	a) Exposure to own securitisations		
	i.) First Loss	-	-
	ii.) Others	-	-
	b) Exposure to third party securitisations		
	i.) First Loss	-	-
	ii.) Others	-	-
	(ii) On-balance sheet exposures towards Credit Enhancements		
	a) Exposure to own securitisations		
	i.) First Loss	-	10.60
	ii.) Second Loss	-	-
	ii.) Others		
	b) Exposnre to third party securitisations		
	i.) First Loss	-	-
	ii.) Others	-	-

* Only the SPVs relating to outstanding securitisation transactions may be reported here

(b)(i) Details of Financial Assets sold to Reconstruction Company for Asset Reconstruction

	Particulars	As at March 31, 2022	As at March 31, 2021
i)	No. of accounts	1309	452
ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	2,172.40	1,368.15
iii)	Aggregate consideration	1,925.80	1,176.00
iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
v)	Aggregate gain / loss over net book value	(246.60)	(192.15)

(b)(ii) Details of Financial Assets sold to Securitisation Company.

	Particulars	As at March 31, 2022	As at March 31, 2021
i)	No. of accounts	3114	-
ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	4,541.71	-
iii)	Aggregate consideration	4,541.71	-
iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
v)	Aggregate gain / loss over net book value	-	-

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54. Regulatory disclosures

(c) Disclosures in the notes to the accounts in respect of assignment transactions as required by RBI vide Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021. RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24 2021.

		As at March 31, 2022	As at March 31, 2021
1	No. of transactions assigned by the HFC	34	23
2	Total amount outstanding	13,558.08	15,308.15
3	Total amount of exposures retained by the HFC to comply with MRR as on the date of balance sheet	1,236.55	1,285.94
	(I) Off-balance sheet exposures		
	a) First Loss	-	-
	b) Others	-	-
	(II) On-balance sheet exposures		
	a) First Loss	-	-
	b) Others	1,236.55	1,285.94
4	Amount of exposures to assignment transactions other than MRR	756.56	746.18
	(I) Off-balance sheet exposures		
	a) Exposure to own assignments		
	i.) First Loss	-	-
	ii.) Others	-	-
	b) Exposure to third party assignments		
	i.) First Loss	-	-
	ii.) Others	-	-
	(II) On-balance sheet exposures		
	a) Exposure to own assignments	756.56	746.18
	i.) First Loss	-	-
	ii.) Others	-	-
	b) Exposure to third party assignments		
	i.) First Loss	-	-
	ii.) Others	-	-

(d) Details of Assignment transactions undertaken by HFCs

		For the year ended March 31, 2022	For the year ended March 31, 2021
i)	No. of accounts	2504	5159
ii)	Aggregate value (net of provisions) of accounts sold	3,004.31	8,778.14
iii)	Aggregate consideration	3,004.31	8,778.14
iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
v)	Aggregate gain / loss over net book value	-	-

(e) ***Details of non-performing financials assets purchased / sold***

During the year the Company has not purchases non-performing financials assets. (Previous year : Nil)

A. Details of non-performing financial assets purchased :

			As at March 31, 2022	As at March 31, 2021
1	(a)	No. of accounts purchased during the year	Nil	Nil
	(b)	Aggregate outstanding	Nil	Nil
2	(a)	Of these, number of accounts restructured during the year	Nil	Nil
	(b)	Aggregate outstanding	Nil	Nil

B. Details of Non-performing Financial Assets sold:

		As at March 31, 2022	As at March 31, 2021
1	No. of accounts sold	1309	452
2	Aggregate outstanding (net)	2,172.40	1,368.15
3	Aggregate consideration received	1,925.80	1,176.00

54. **Regulatory disclosures**

(xii) ***Disclosure of Restructured Accounts - Micro, Small and Medium Enterprises (MSME) sector as at March 31,2022***
The Company has restructured the accounts as per RBI circular circulars DBR.No.BP.BC.100/21.04.048/2017-18 dated February 7,2018,DBR.No.BP.BC. 108/21.04.048/2017-18 dated June 6, 2018,circular DBR.No.BP.BC.18/21.04.048/2018-19 dated January 1,2019,circular DOR.No.BP.BC.34/21.04.048/2019-20 dated February 11, 2020 and DOR.No.BP.BC/4/21.04.048/2020-21 dated August 6, 2020.

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
No of accounts restructured	38	24
Amount (Indian rupees in millions)	187.90	105.70

** Excludes account closed/written off during period*

(xiii) **Exposure to real estate sector**
a) Exposure to real estate sector, both direct and indirect

Category	As at March 31, 2022	As at March 31, 2021
a) Direct exposure		
(i) **Residential mortgages -**		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; [Individual housing loans up to Rs. 15 lakh Rs. 4,518.93 million (Previous Year Rs. 6,117.19 million)]	**27,733.32**	31,860.02
(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).	**2,573.22**	4,034.05
(iii) **Investments in Mortgage Backed Securities (MBS) and other securitised exposures**		
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

b) Exposure to capital market

	Particulars	As at March 31, 2022	As at March 31, 2021
(i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	**Nil**	65.72
(ii)	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	**Nil**	Nil
(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual fonds are taken as primary security	**1,513.76**	Nil
(iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances	**Nil**	Nil
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	**Nil**	Nil
(vi)	loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	**Nil**	Nil
(vii)	bridge loans to companies against expected equity flows / issues	**Nil**	Nil
(viii)	all exposures to Venture Capital Funds (both registered and unregistered)	**Nil**	Nil
	Total Exposure to Capital Market	**1,513.76**	65.72

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54. Regulatory disclosures

(xiv) *Details of financing of parent Company products - Nil (Previous year - Nil)*

(xv) *Details of Single Borrower Limit (SBL) / Group Borrower Limit (GBL) exceeded by the HFC*

During the year ended March 31, 2022 and March 31, 2021, the Company's credit exposure (whether in terms of sanctioned amount or entire amount outstanding, whichever is higher) to single borrowers and group borrowers were within the limits prescribed by the RBI.

(xvi) *Unsecured Advances*
The Company has not taken any charge over the rights, licenses, authorisations, etc., against unsecured loans given to borrowers in the current year and previous year.

(xvii) *Remuneration of Directors*

The Company has not entered into any transactions with non-executive directors during the year (Previous Year Rs.Nil), except for those disclosed in note 54 (xxxv)

(xviii) *Net Profit or Loss for the period, prior period items and changes in accounting policies*

There are no prior period items during the year (Previous Year Rs.Nil) and no change in any accounting policy from last year.

(xix) *Accounting Standard 21 - Consolidated Financial Statemeents (CFS)*

The company does not have any subsidiary, associate, or joint venture in the current year and previous year and hence consolidation of accounts is not required.

(xx) *Details of 'provisions and contingencies'*

	Break up of 'provisions and Contingencies' shown under the head expenditure in statement of profit and loss.	For the year ended March 31, 2022	For the year ended March 31, 2021
(i)	Provisions for depreciation on investment	Nil	Nil
(ii)	Provision towards NPA - (Stage III loans)	36.03	21.16
(iii)	Provision made towards income tax	1.15	(51.25)
(iv)	Provision for standard assets* (with details like teaser loan, CRE, CRE-RH etc.) - Stage I & II loans	(46.71)	64.07
(v)	Other provision and contingencies	Nil	Nil

* Provision for Stage I & II loans include CRE - RH of Rs 3.76 million (Previous Year Rs (53.23) million), CRE - Non-RH of Rs 1.68 million (Previous Year Rs (11.88) million), Non CRE of Rs (52.14) million (Previous Year Rs 129.18 million)

(xxi)

	Break up of Loan & Advances and Provisions thereon	Housing		Non-Housing	
		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
	Standard Assets				
(a)	Total Outstanding Amount #	19,667.53	20,969.93	11,153.93	14,207.83
(b)	Provisions made	172.58	217.35	143.96	145.90
	Sub-Standard Assets**				
(a)	Total Outstanding Amount	257.93	932.94	200.76	223.64
(b)	Provisions made	38.64	95.64	36.28	20.67
	Doubtful Assets – Category-I**				
(a)	Total Outstanding Amount	45.80	54.62	75.31	2.01
(b)	Provisions made	26.10	5.97	19.31	0.18
	Doubtful Assets – Category-II**				
(a)	Total Outstanding Amount	11.53	24.91	-	15.93
(b)	Provisions made	11.53	2.49	-	1.77
	Doubtful Assets – Category-III**				
(a)	Total Outstanding Amount	2.87	16.60	5.53	2.51
(b)	Provisions made	2.87	1.83	5.53	0.53
	Loss Assets**				
(a)	Total Outstanding Amount	9.19	2.67	18.33	-
(b)	Provisions made	9.19	2.67	18.33	-
	TOTAL				
(a)	**Total Outstanding Amount**	19,994.85	22,001.66	11,453.87	14,451.93
(b)	**Provisions made**	260.91	325.95	223.40	169.05

** Represent Stage III loans

Note:

\# 1

Standard Assets	Housing		Non-Housing	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Principal outstanding	19,463.15	20,761.81	10,498.69	13,603.92
Interest accrued	194.48	236.21	181.41	236.16
EIR and other Ind AS adjustment	9.90	(28.09)	473.79	367.75

2 The Category of Doubtful Assets will be as under:

Period for which the assets has been considered as doubtful	Category
Up to one year	Category-I
One to three years	Category-II
More than three years	Category-III

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54. Regulatory disclosures

(xxii) ***Draw Down from Reserves***

The Company has drawn Rs. 85.07 million (Previous Year Rs. 127.93 milion) from the debenture redemption reserve and transferred to retained earnings on redemption of debentures till March 31, 2022. Further, pursuant to the amendments in the Companies Act, 2013, debenture redemption reserve is not required to be created for debentnres issued by Non-Banking Finance Companies (including Housing Finance Companies) regulated by Reserve Bank of India.

(xxiii) ***Concentration of Public Deposits, Advances, Exposures and NPAs***

Concentration of Public Deposits (for Public Deposit taking/holding HFCs)

Particular	As at March 31, 2022	As at March 31, 2021
Total Deposit of twenty largest depositors	NA	NA
% of deposits to twenty largest depositors to total Deposits of the HFC	NA	NA

Concentration of Loans & Advances

Particular	As at March 31, 2022	As at March 31, 2021
Total Loans & Advances to twenty largest borrowers	3,706.74	3,456.50
% of Loans & Advances to twenty largest borrowers to total advances of the HFC	11.79%	9.48%

Concentration of all exposure (including off-balance sheet exposure)

Particular	As at March 31, 2022	As at March 31, 2021
Total exposures to twenty largest borrowers / customers	3,976.29	3,445.64
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	12.49%	9.21%

Concentration of NPAs (Stage III loans)

Particular	As at March 31, 2022	As at March 31, 2021
Total exposures to top ten NPAs	134.22	197.87

Sector-wise NPAs (Stage III loans)

SL No.	Sector	% of NPAs to total advances in that sector	
		As at March 31, 2022	As at March 31, 2021
A.	**Housing Loans:**		
1	Individual	1.80%	4.91%
2	Builders / Project Loans	0.00%	0.00%
3	Corporates	0.00%	9.11%
4	Other (specify)	0.00%	0.00%
B.	**Non-Housing Loans:**		
1	Individual	3.65%	2.07%
2	Builders / Project Loans	0.00%	0.00%
3	Corporates	0.00%	0.00%
4	Other (HUF & Partnership Firm)	0.88%	0.08%

* NPAs represents Stage III loans.

(xxiv) ***Movements of NPAs (Stage III loans)***

The following table sets forth, for the periods indicated, the details of movement of gross Non-performing assets (NPAs), net NPAs and provision

	Particular	As at March 31, 2022	As at March 31, 2021
i)	**Net NPAs to net advances (%)**	1.47%	3.15%
ii)	**Movement of Gross NPAs**		
	a) Opening balance	1,275.78	760.57
	b) Additions during the year	1,839.97	2,330.88
	c) Reductions during the year	(2,488.45)	(1,815.67)
	d) Closing balance	627.30	1,275.78
iii)	**Movement of net NPAs**		
	a) Opening balance	1,144.05	649.99
	b) Additions during the year	1,377.74	2,045.97
	c) Reductions during the year	(2,062.27)	(1,551.91)
	d) Closing balance	459.52	1,144.05
iv)	**Movement of provisions for NPAs**		
	a) Opening balance	131.73	110.58
	b) Provisiuns made during the year	462.23	284.91
	c) Write-off/write-back of excess provisions	(426.18)	(263.76)
	d) Closing balance	167.78	131.73

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54. **Regulatory disclosures**

(xxv) *Asset liability management*

Maturity pattern of certain items of assets and liabilities
As at March 31, 2022

Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from Bank	-	-	2.40	-	3,079.84	1,347.95	3,109.76	6,448.26	323.37	174.15	14,485.73
Market Borrowing	-	-	28.14	1,575.75	852.62	223.36	8.63	-	4,256.47	1,499.58	8,444.55
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Gross Advances	0.51	212.68	454.97	458.00	666.15	1,452.00	4,890.89	8,744.61	1,753.87	12,815.04	31,448.72
Investments*	-	-	319.70	-	-	-	-	400.00	400.00	1,498.36	2,618.06
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

*Includes Securities held for trading.

As at March 31, 2021

Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from Bank	-	1,154.47	-	650.00	2,180.00	1,584.58	3,519.01	10,964.77	2,042.56	532.99	22,628.38
Market Borrowing	2.45	-	259.08	37.13	315.75	818.79	2,792.57	2,022.03	500.00	5,437.56	12,185.35
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Gross Advances	160.80	272.67	287.21	563.76	811.57	1,772.24	4,172.25	10,529.42	2,220.20	15,663.51	36,453.62
Investments*	-	-	65.73	-	-	90.11	-	-	-	1,600.86	1,756.70
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

*Includes Securities held for trading.

In computing the above information, certain estimates assumptions and adjustments have been made by the management which are consistent with the guidelines provided by the regulator.

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54. Regulatory disclosures

(xxvi) ***Details of ratings assigned by credit rating agencies and migration of ratings during the year***

As at March 31, 2022

Instrument Category	ICRA	CARE	Brickworks	CRISIL	ACUITE
i) Long Term Instruments :	(Negative)	(Stable)	(Stable)	(Negative)	(Negative)
Rating	ICRA A+ / Negative	CARE A+/Stable	BWR AA-/Stable and BWR A+/Stable	CRISIL AA-/Negative	ACUITE AA/Negative
Amount	57,550.50	30,200.00	6,500.00	36,150.00	5,000.00
ii) Short Term Instruments :					
Rating	NA	CARE A1+	NA	CRISIL A1+	NA
Amount	NA	10,000.00	NA	2,500.00	NA

Note:- There were no change in any of above ratings or outlook during the year.

As at March 31, 2021

Instrument Category	ICRA	CARE	Brickworks	CRISIL
i) Long Term Instruments :	LT-NCD, BLR and LT-Sub Debt	LT-NCD, BLR and LT-Sub Debt	LT-NCD and Perpetual Debt	LT-NCD, BLR and LT-Sub Debt
Rating	ICRA A+ / Negative	CARE A+/Stable	BWR AA-/Stable and BWR A+/Stable	CRISIL AA-/Negative
Amount	60,178.10	30,831.00	8,500.00	35,350.00
ii) Short Term Instruments :		CPs-ST		CPs-ST
Rating	NA	CARE A1+	NA	CRISIL A1+
Amount	NA	10,000.00	NA	10,000.00

Following are the migration of ratings during the year:
1. ICRA Ratings revised the ratings on Long Term Debt from AA- to A+ on 5th May'2020 while keeping the outlook unchanged at Negative and also the Short term ratings from ICRA A1+ to ICRA A1.
2. CARE Ratings revised the outlook on Long Term Debt ratings from Stable to Negative on 7th May' 2020 and Revise the Long term Debt ratings from CARE AA- to CARE A+ and revised the outlook from
3. CRISIL Ratings revised the outlook on Long term Debt ratings from Stable to Negative on 25th May' 2020.
4. Brickwork Ratings revises the ratings on Long Term Debt from AA to AA- on 10th Nov' 2020 and revise the outlook Stable from Negative.

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54 **Regulatory Disclosures**

(xxvii) *Disclosure of Restructured Accounts*

as required by RBI guidelines under reference DNBS. CO. PD. No. 367 / 03.10.01 / 2013-14 dated January 23, 2014 read with The Company has restructured the accounts as per RBI circular circulars DBR.No.BP.BC.100/21.04.048/2017-18 dated February 7,2018, DBR.No.BP.BC.108/21.04.048/2017-18 dated June 6, 2018, circular DBR.No.BP.BC.18/21.04.048/2018-19 dated January 1, 2019,circular DOR.No.BP.BC.34/21.04.048/2019-20 dated February 11, 2020 and DOR.No.BP.BC/4/21.04.048/2020-21 dated August 6,2020.

Sl No	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification																					
	Details		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
1	Restructured accounts as on 1st April, 2021 (Opening figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	61.00	5.00	-	-	66.00	61.00	5.00	-	-	66.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	199.08	10.82	-	-	209.90	199.08	10.82	-	-	209.90
		Provision thereon	-	-	-	-	-	-	-	-	-	-	15.57	1.08	-	-	16.65	15.57	1.08	-	-	16.65
																	-					-
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	470.00	0.00	-	-	470.00	470.00	-	-	-	470.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	1,279.54	0.00	-	-	1,279.54	1,279.54	-	-	-	1,279.54
		Provision thereon	-	-	-	-	-	-	-	-	-	-	110.88	0.00	-	-	110.88	110.88	-	-	-	110.88
																	-					-
3	Upgradations of restructured accounts to Standard category	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		5% new provision on standard assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
																	-					-
4	Restructured advances which ceases to attract higher provisioning and/ or additional risk weight at the end of the financial year and hence need not be shown as restructured standard advances at the beginning of the next financial year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	67.00	5.00	-	-	72.00	67.00	5.00	-	-	72.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	7.27	(3.23)	-	-	4.04	7.27	(3.23)	-	-	4.04
		Provision thereon	-	-	-	-	-	-	-	-	-	-	17.18	(0.44)	-	-	16.74	17.18	(0.44)	-	-	16.74
																	-					-
5	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(34.00)	34.00	-	-	-	(34.00)	34.00	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	(59.55)	59.55	-	-	-	(59.55)	59.55	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(10.04)	10.04	-	-	-	(10.04)	10.04	-	-	-
																	-					-
6	Write-offs of restructured accounts during the FY 21-22	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
																	-					-
7	Restructured accounts as on 31st Mar, 2022 (Closing figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	430	34	-	-	464.00	430	34	-	-	464.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	1,426.34	67.14	-	-	1,493.47	1,426.34	67.14	-	-	1,493.47
		Provision thereon	-	-	-	-	-	-	-	-	-	-	133.59	10.67	-	-	144.27	133.59	10.67	-	-	144.27

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(Currency : Indian rupees in millions)

54 Regulatory Disclosures

(xxvii) *Disclosure of Restructured Accounts*

(as required by RBI guidelines under reference DNBS. CO. PD. No. 367 / 03.10.01 / 2013-14 dated January 23, 2014 read with RBI circular RBI/2019-20/160 DOR.No.BP.BC.34/21.04.048/2019-20 dated February 11, 2020 & RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 dated August 6, 2020).

Sl No	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
	Details																					
1	Restructured accounts as on 1st April, 2020 (Opening figures) (refer note 1)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
											-	-	-	-	-	-						
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	60.00	6.00	-	-	66.00	60.00	6.00	-	-	66.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	195.09	11.81	-	-	206.90	195.09	11.81	-	-	206.90
		Provision thereon	-	-	-	-	-	-	-	-	-	-	15.39	1.27	-	-	16.65	15.39	1.27	-	-	16.65
3	Upgradations of restructured accounts to Standard category	No. of borrowers	-	-	-	-	-	-	-	-	-	-	2.00	(2.00)	-	-	-	2.00	(2.00)	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	3.07	(3.07)	-	-	-	3.07	(3.07)	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	0.32	(0.32)	-	-	-	0.32	(0.32)	-	-	-
		5% new provision on standard assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured advances which ceases to attract higher provisioning and/ or additional risk weight at the end of the financial year and hence need not be shown as restructured standard advances at the beginning of the next financial year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	2.22	0.77	-	-	2.99	2.22	0.77	-	-	2.99
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(1.00)	1.00	-	-	1.00	(1.00)	1.00	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	(1.31)	1.31	-	-	1.31	(1.31)	1.31	-	-	(0.00)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(0.14)	0.14	-	-	0.14	(0.14)	0.14	-	-	-
6	Write-offs of restructured accounts during the FY 20-21	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured accounts as on 31st Mar, 2021 (Closing figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	61	5	-	-	66.00	61.00	5.00	-	-	66.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	199.08	10.82	-	-	209.90	199.08	10.82	-	-	209.90
		Provision thereon	-	-	-	-	-	-	-	-	-	-	15.57	1.08	-	-	16.65	15.57	1.08	-	-	16.65

Note :-1
Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

(Currency: Indian rupees in millions)

54. **Regulatory Disclosures**

(xxviii) **Note to the balance sheet of a non-deposit taking Housing Finance Company**

Particulars	Amount outstanding		Amount overdue	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Liabilities side:				
1) Loans and advances availed by HFC inclusive of interest accrued thereon but not paid				
a) Debentures:				
(other than those falling within the meaning of Public deposit)				
(i) Secured	**7,935.92**	11,676.75	-	-
(ii) Unsecured	**508.63**	508.61	-	-
b) Deferred credits	-	-	-	-
c) Term loans	**14,421.88**	22,479.11	-	-
d) Inter-corporate loans and borrowing	-	-	-	-
e) Commercial paper	-	-	-	-
f) Other loans	-	-	-	-
(i) Loan from related parties	**2.41**	-	-	-
(ii) Bank overdraft	**61.44**	149.27	-	-
(* Please see note 1 below)				
Assets side:				
2) Break up of loans and advances including bills receivables (other than those included in (3) below)				
a) Secured	**31,432.08**	34,937.09	163.94	301.15
b) Unsecured	**16.64**	1,516.49	-	-
3) Break up of leased assets and stock on hire and other assets counting towards AFC activities				
a) Lease assets including lease rentals under sundry debtors:				
(i) Financial lease	-	-	-	-
(ii) Operating lease	-	-	-	-
b) Stock on hire including hire charges under sundry debtors				
(i) Assets on hire	-	-	-	-
(ii) Repossessed assets	-	-	-	-
c) Other loans counting towards asset financing Company activities				
(i) Loans where assets have been repossessed	-	-	-	-
(ii) Other loans	-	-	-	-

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54. **Regulatory Disclosures**

(xxviii) **Note to the balance sheet of a non-deposit taking Housing Finance Company**

	As at March 31, 2022	As at March 31, 2021
4) Break up of investments		
Current investments:		
a) **Quoted:**		
(i) Shares: Equity	-	65.72
Preference	-	-
(ii) Debentures and bonds	-	90.11
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others	-	-
b) **Unquoted:**		
(i) Shares: Equity	-	-
Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others (pass through certificates)	-	-
Long-term investments (net of provision)		
a) Quoted:		
(i) Shares: Equity	-	-
Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others	-	-
b) Unquoted:		
(i) Shares: Equity	-	-
Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others : Pass through certificates	-	-
Security receipts	**2,618.06**	1,600.86

5) Borrower group-wise classification of assets financed as in (2) and (3) above

Amount net of provisions

Particulars	Secured		Unsecured		Total	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
1. Related parties**						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	**16.63**	1,012.97	**16.63**	1,012.97
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	**30,947.78**	34,446.29	-	499.33	**30,947.78**	34,945.62
TOTAL	**30,947.78**	34,446.29	**16.63**	1,512.30	**30,964.41**	35,958.59

6) Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted)

Particulars	**Market value/break up or fair value or NAV**		**Book value (net of provisions)**	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
1) Related parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group [EARC]	**2,010.18**	1,010.11	**2,010.18**	1,010.11
(c) Other related parties	-	-	-	-
2) Other than related parties	**607.88**	590.75	**607.88**	590.75
TOTAL	**2,618.06**	1,600.86	**2,618.06**	1,600.86

7) Other information

Particulars	As at March 31, 2022	As at March 31, 2021
a) Gross non-performing assets		
1) Related parties	-	-
2) Other than related parties	**627.30**	1,275.78
b) Net non-performing assets		
1) Related parties	-	-
2) Other than related parties	**459.52**	1,144.05
c) Assets acquired in satisfaction of debt	-	-

Note :
1. As defined in paragraph 2(1)(xii) of the Non-Banking Financial Company Acceptance of public deposits(Reserve bank) Direction,1998.

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(Currency : Indian rupees in millions)

54. Regulatory Disclosures

(xxix) Disclosure on liquidity risk

Public Disclosure on Liquidity Risk for the year ended March 2022 as per Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021.

a) **Funding Concentration based on significant counterparty (both deposits and borrowings)**	**As at March 31, 2022**	As at March 31, 2021
Number of significant counterparties*	**8**	12
Amount of borrowings from significant counterparties	**18,326.97**	28916.36
% of Total deposits	**NA**	NA
% of Total liabilities**	**57.65%**	69.37%

* *"Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the HFC's total liabilities.*

** *"Total liabilities " refers to total external liabilities (i.e. excluding total equity).*

b) **Top 20 large deposits**

The Company being a Systemically Important Non-Deposit taking Housing Finance Company registered with National Housing Bank, does not accept public deposits.

c) **Top 10 Borrowings**	**As at March 31, 2022**	As at March 31, 2021
Amount of Borrowings from top 10 lenders	**18,526.97**	27978.86
% of Total Borrowings	**80.80%**	80.37%

d) **Funding Concentration based on significant instrument/product***	**As at March 31, 2022**		As at March 31, 2021	
	Amount	**% of Total Liabilities****	Amount	% of Total Liabilities**
Market Borrowings				
Non Convertible Debentures	**7,935.92**	**24.96%**	11,676.75	28.01%
Sub-ordinated Debentures	**508.63**	**1.60%**	508.61	1.22%
Other Borrowings				
Term Loans	**13,221.88**	**41.59%**	21,279.11	51.05%
Working Capital Demand Loan/OD/CC	**1,261.44**	**3.97%**	1,200.00	2.88%

* *"significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the HFC's total liabilities.*

** *"Total liabilities " refers to total external liabilities (i.e. excluding total equity).*

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(Currency : Indian rupees in millions)

54. Regulatory Disclosures

e) Stock Ratios

	As at March 31, 2022	As at March 31, 2021
Commercial papers as a % of total public funds*	**0.00%**	0.00%
Commercial papers as a % of total liabilities	**0.00%**	0.00%
Commercial papers as a % of total assets	**0.00%**	0.00%
Non-convertible debentures (original maturity of less than one year) as a % of total public funds	**0.00%**	0.00%
Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	**0.00%**	0.00%
Non-convertible debentures (original maturity of less than one year) as a % of total assets	**0.00%**	0.00%
Other short-term liabilities**, if any as a % of total public funds	**5.78%**	3.88%
Other short-term liabilities**, if any as a % of total liabilities	**4.17%**	3.24%
Other short-term liabilities**, if any as a % of total assets	**3.35%**	2.74%

* *"Total public funds" refers to the aggregate of Debt securities, Borrowing other than debt securities and Subordinated liabilities.*

** *"Other short-term liabilities" refers to the borrowing in short term in nature.*

f) Institutional set-up for liquidity risk management

The Board of Directors of the Company has constituted the Asset Liability Management Committee and the Risk Management Committee.

The Asset Liability Management Committee/ Risk Management Committee, inter alia –

Implement and administer guidelines on Asset-Liability Management approved by the Board and its revision if any;

Monitor the asset liability gap and overcome the asset-liability mismatches, interest risk exposure, etc.; Strategize action to mitigate risk associated with the asset liability gap;

Guides in developing risk management policies and procedures and monitor adherence to various risk parameters and prudential limits; review the risk monitoring system and ensure effective risk management; and

The Company has a Liquidity Contingency plan in place to ensure various liquidity parameters are defined and tracked regularly. Liquidity Management Team is provided with update on expected liquidity shortfalls in Normal as well as Stress scenario

The Company has ensured maintenance of a Liquidity Cushion in the form of cash balance, Liquid debt mutual Fund schemes, bank fixed deposits and undrawn cash credit limits etc. These assets carry minimal credit risk and can be liquidated in a very short period. A comfortable liquidity cushion is

There are available lines of credit from banks which are drawable on notice which further augment the available sources of funds.

NGS & CO. LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Edelweiss Housing Finance Limited Mumbai

(Currency : Indian rupees in millions)

54. **Regulatory Disclosures**

(xxx) **Prudential Floor for ECL**
As at March 31, 2022
Housing Finance Companies (NBFC-HFC) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109. The impairment allowances under Ind AS 109 made by the Company higher than the total provision required under IRACP (including standard asset provisioning), as at March 31, 2022 and accordingly, no amount is required to be transferred to impairment reserve.

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5 = 3 - 4	6	7 = 4 - 6
Performing Assets						
Standard	Stage 1	27,937.60	89.93	27,847.67	120.72	(30.80)
	Stage 2	2,883.82	226.60	2,657.22	139.37	87.23
Subtotal		**30,821.42**	**316.53**	**30,504.89**	**260.10**	**56.43**
Non-Performing Assets (NPA)						
Substandard	Stage 3	458.71	74.91	383.80	94.53	(19.62)
Doubtful - up to 1 year	Stage 3	121.13	45.41	75.72	44.66	0.75
1 to 3 years	Stage 3	11.53	11.53	0.00	11.53	-
More than 3 years	Stage 3	8.40	8.40	0.00	8.40	-
Subtotal for doubtful		**141.06**	**65.34**	**75.72**	**64.59**	**0.75**
Loss	Stage 3	27.54	27.53	0.00	27.53	-
Subtotal for NPA		**627.30**	**167.78**	**459.52**	**186.65**	**(18.87)**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	859.47	-	859.47	-	-
	Stage 2	8.50	-	8.50	-	-
	Stage 3	3.94	-	3.94	-	-
Subtotal		**871.91**	-	**871.91**	-	-
Total	Stage 1	**27,937.60**	**89.93**	**27,847.67**	**120.72**	**(30.80)**
	Stage 2	**2,883.82**	**226.60**	**2,657.22**	**139.37**	**87.23**
	Stage 3	**627.30**	**167.78**	**459.52**	**186.65**	**(18.87)**
	Total	**31,448.72**	**484.31**	**30,964.41**	**446.75**	**37.56**

Edelweiss Housing Finance Limited Mumbai

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

(Currency : Indian rupees in millions)

54. Regulatory Disclosures

(xxx) Prudential Floor for ECL

As at March 31, 2021

Housing Finance Companies (NBFC-HFC) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109. The impairment allowances under Ind AS 109 made by the Company higher than the total provision required under IRACP (including standard asset provisioning), as at March 31, 2021 and accordingly, no amount is required to be transferred to impairment reserve.

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5 = 3 - 4	6	7 = 4 - 6
Performing Assets						
Standard	Stage 1	30,886.32	82.28	30,804.04	137.44	(55.16)
	Stage 2	4,291.44	279.42	4,012.02	32.14	247.28
Subtotal		**35,177.76**	**361.70**	**34,816.06**	**169.58**	**192.12**
Non-Performing Assets (NPA)						
Substandard	Stage 3	1,156.63	114.89	1,041.73	163.33	(48.44)
Doubtful - up to 1 year	Stage 3	56.63	6.15	50.48	11.77	(5.61)
1 to 3 years	Stage 3	40.84	4.26	36.58	10.87	(6.61)
More than 3 years	Stage 3	19.06	2.36	16.70	12.57	(10.21)
Subtotal for doubtful		**116.53**	**12.77**	**103.76**	**35.21**	**(22.44)**
Loss	Stage 3	2.67	2.67	-	2.67	-
Subtotal for NPA		**1,275.82**	**130.33**	**1,145.49**	**201.21**	**(70.88)**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	1,257.25	0.97	1,256.28	-	0.97
	Stage 2	10.02	0.58	9.44	-	0.58
	Stage 3	13.99	1.40	12.59	-	1.40
Subtotal		**1,281.26**	**2.95**	**1,278.32**	-	**2.95**
Total	Stage 1	**32,143.57**	**83.25**	**32,060.32**	**137.44**	**(54.19)**
	Stage 2	**4,301.47**	**280.47**	**4,020.99**	**32.14**	**248.33**
	Stage 3	**1,289.82**	**131.73**	**1,158.08**	**201.21**	**(69.48)**
	Total	**37,734.85**	**495.45**	**37,239.40**	**370.79**	**124.66**

Edelweiss Housing Finance Limited Mumbai

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

(Currency : Indian rupees in millions)

54. Regulatory disclosures

(xxxi) ***Overseas Assets***
The Company do not hold any Overseas Assets; (Previous Year Nil).

(xxxii) ***Off-balance Sheet SPVs sponsored - None (Previous Year: None)***

(xxxiii) ***Disclosure of complaints***
Customer complaints

Particular	As at March 31, 2022	As at March 31, 2021
(a) No. of complaints pending at the beginning of the year	5	3
(b) No. of complaints received during the year	312	214
(c) No. of complaints redressed during the year	315	212
(d) No. of complaints pending at the end of the year	2	5

(xxxiv) ***Company information***
The Company has its operations in India and it does not have any joint venture partners with regard to Joint ventures and overseas subsidiaries as at and for the year ended March 31, 2022 and March 31, 2021.

(xxxv) ***Details of transaction with non executive directors***

Name of the Director	Nature of Transaction	For the year ended March 31, 2022	For the year ended March 31, 2021
Gautam Chatterjee	Sitting fees	0.08	-
Biswamohan Mahapatra	Sitting fees	0.32	0.10
Sunil Phatarphekar	Sitting fees	0.28	0.28
Mr. P N Venkatachalam	Sitting fees	0.14	0.40

(xxxvi) **Registration/License obtained from other financial sector regulators** - Nil (Previous year Nil).

(xxxvii) **The Company has not postponed revenue recognition on any item during the current year** (previous year Nil).

(xxxviii) **Disclosure of penalties imposed by NHB and other regulators** - Nil (Previous year Nil).

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MUMBAI
CHARTERED ACCOUNTANTS

Edelweiss Housing Finance Limited
Mumbai

Edelweiss Housing Finance Limited
Notes to the financial statements for the year ended March 31, 2022 (Continued)
(Currency : Indian rupees in millions)

55. Regulatory disclosures

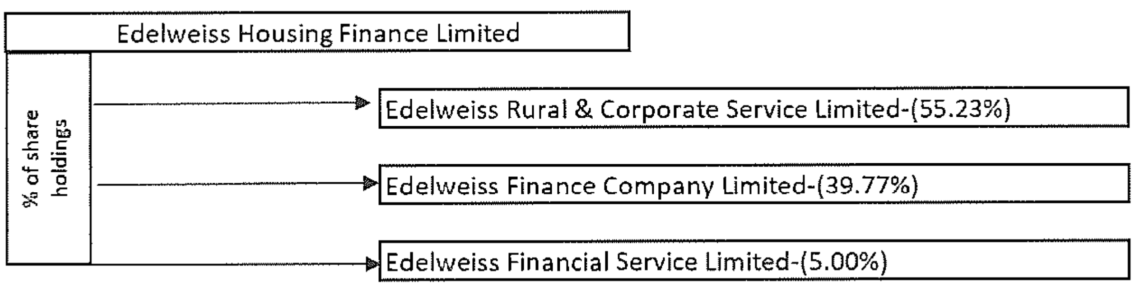
(i) Details of Resolution plan implemented under the Resolution Framework for COVID-19 related stress as per circular dated August 6, 2020.

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	111	14.41	-	(25.25)	85.90
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**111**	**14.41**	-	**(25.25)**	**85.90**

**As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016*

(ii) There are no amount due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2022 (Previous Year Nil)

(iii) Diagramatic representation of group structure given below:



(iv) Principal Business Criteria for the Company to be classified as "Housing Finance Company" as per the Paragraph 4.1.17 of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21, 17 February, 2021 is given below

	31 March 2022*	31 March 2021*
Percentage of total assets towards housing finance*	**50.59%**	44.67%
Percentage of total assets towards housing finance for individuals	**45.41%**	41.36%

*Minimum regulatory percentage to be complied from 31 March, 2022 onwards for housing to Individual 40% and towards Housing Finance 50%.

a) It is an NBFC whose financial assets, in the business of providing finance for housing, constitute at least 60% of its total assets (netted off by intangible assets).

(b) Out of the total assets (netted off by intangible assets), not less than 50% should be by way of housing financing for individuals.

(v) Company does not have any exposure to group companies engaged in real estate business during the current and previous year.

56. Figures of the previous year have been regrouped / reclassified wherever necessary to conform to current year presentation.

As per our report of even date attached.

For **NGS & Co. LLP**
Chartered Accountants
Firm's Registration No. 119850W

For R.P.Soni
Partner
Membership No. 104796

For and on behalf of the Board of Directors
Edelweiss Housing Finance Limited

Rajat Avasthi
MD & CEO
DIN: 07969623

Shilpa Gattani
Director
DIN: 05124763

Tushar Kotecha
Chief Financial Officer

Girish Manik
Company Secretary
Membership No.A26391

Place : Mumbai
Date : May 06, 2022

S.R. BATLIBOI & CO. LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel: +91 22 6819 8000

INDEPENDENT AUDITOR'S REPORT

To the Members of Edelweiss Housing Finance Limited

Report on the Audit of the Indian Accounting Standard ("Ind AS") Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Edelweiss Housing Finance Limited (the "Company"), which comprises the Balance sheet as at March 31, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive loss its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing ("SAs"), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Emphasis of Matter - Assessment of COVID 19 Impact

We draw attention to Note 46.1.(j) to the Financial Statement, which describes the economic and social disruption as a result of COVID-19 pandemic of the Company's business and financial metrics including the Company's estimates of impairment of loans to customers and investments which are highly dependent on uncertain future developments.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Impairment of financial instruments (expected credit losses) *(as described in note 46.1 of the standalone Ind AS financial statements)*	
Ind AS 109: Financial Instruments ("Ind AS 109") requires the Company to provide for impairment of its Loan & Advances and Investment receivables ("Financial Instruments") using the Expected Credit Losses ("ECL") approach. ECL involves an estimation of probability-weighted loss on Financial Instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. In the process, a significant degree of judgement has been applied by the management for: a) Defining qualitative/ quantitative thresholds for 'significant increase in credit risk' ("SICR") and 'default'. b) Determining effect of less frequent past events on future probability of default. c) Grouping of borrowers based on homogeneity by using appropriate statistical techniques; d) Determining macro-economic factors impacting credit quality of receivables; Impact of COVID-19 The spread of COVID-19 has severely impacted many economies around the globe. Businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses, resulting in an economic slowdown and economic uncertainties. Measures have also been taken by the Government and the Reserve Bank to ease the burden on businesses from hardship, pursuant to the Reserve Bank of India circular dated August 6, 2020 for "Micro, Small and Medium Enterprises (MSME) sector - Restructuring of Advances" and "Resolution Framework for COVID-19-related Stress" ("RBI circulars") allowing lending institutions to implement a resolution plan in respect of its eligible exposures, subject to specified conditions. In management's view and considering the guidance provided by the Institute of Chartered Accountants of India ('ICAI'), providing moratorium to borrowers at a mass scale, based on RBI directives, by itself is not considered to result in a SICR for such borrowers. The Company has recorded a management overlay as part of its ECL, to reflect among other things an increased risk of deterioration in macro-economic factors caused by COVID-19 pandemic. Given the unique nature and scale of the economic impact of this pandemic, the macroeconomic overlay estimate is based on various highly uncertain and unobservable factors. In	• Our audit procedures included considering the Company's accounting policies for impairment of Financial Instruments and assessing compliance with the policies in terms of Ind AS 109 and with the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on March 13, 2020 ("the RBI Guidelines"). • Read and assessed the Company's policy with respect to one-time restructuring offered to customers pursuant to the "Micro, Small and Medium Enterprises (MSME) sector - Restructuring of Advances" and "Resolution Framework for COVID-19-related Stress" issued by RBI on August 6, 2020 and tested the implementation of such policy on a sample basis. • Evaluated management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation. • Assessed the criteria for staging of loans based on their past-due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under stage 2 or 3. • Assessed the additional considerations applied by the management for staging of loans as SICR • Tested the ECL model, including assumptions and underlying computation. Tested the input data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records. • Tested the arithmetical accuracy of computation of ECL provision performed by the Company. • Read and assessed the adequacy of disclosures included in the Ind AS financial statements in respect of expected credit losses with the requirements of Ind AS 107 Financial Instruments: Disclosure ("Ind AS 107") and 109.

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accordance with the guidance in Ind AS 109, the macroeconomic overlay estimate takes into account reasonably and supportable information without incurring significant cost. The actual credit losses could be significantly different than the ECL estimates prepared by the Company depending upon the impact and duration of the pandemic and various regulatory and policy measures announced by the Government. In view of the high degree of management's judgement involved in estimation of ECL, accentuated by the COVID-19 pandemic, it is a key audit matter.	
Information Technology System	
The financial accounting and reporting systems of the Company are fundamentally reliant on IT systems and IT controls to process significant transaction volumes. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure accurate financial reporting. Therefore, due to the pervasive nature and complexity of the IT environment, the assessment of the general IT controls and the application controls specific to the accounting and preparation of the financial information is considered to be a key audit matter.	We performed the following procedures, assisted by specialized IT auditors on the IT infrastructure and applications relevant to financial reporting: • Tested the design and operating effectiveness of IT access controls over the information systems that are critical to financial reporting. • Tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. • Tested the Company's periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization. • In addition to the above, we tested the design and operating effectiveness of certain automated and IT dependent manual controls that were considered as key internal controls over financial reporting. • Where deficiencies were identified, we tested compensating controls or performed alternate procedures.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors Report but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However,

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future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

S.R. BATLIBOI & CO. LLP MUMBAI Chartered Accountants

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership Number: 102102

S.R. BATLIBOI & CO. LLP MUMBAI Chartered Accountants

UDIN: 21102102AAAAKJ7448

Place of Signature: Mumbai
Date: June 4, 2021

Annexure 1 referred to under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Edelweiss Housing Finance Limited ("the Company")

(i)(a) The Company has maintained proper records showing full particulars, including quantitative details and location of fixed assets.

(i)(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.

(i)(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanation given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.

(vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, cess and other statutory dues applicable to the Company have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases in goods and service tax. The provisions relating to duty of customs, duty of excise, value added tax and cess are not applicable to the Company.

(vii)(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and services tax and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to duty of customs, duty of excise, value added tax and cess are not applicable to the Company.

(vii)(c) According to the information and explanations given to us, there are no dues of income-tax, goods and service tax, service tax, value added tax and cess which have not been deposited on account of dispute. The provision relating to sales tax, custom duty, excise duty and value added tax are currently not applicable to the Company.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer. Further, money raised by the Company by way of non-convertible debentures and term loans were applied for the purpose for which those were raised, though idle/ surplus funds which were not required for immediate utilization were gainfully invested in liquid assets payable on demand.

S.R. BATLIBOI & CO. LLP MUMBAI Chartered Accountants

(x) Based upon the audit procedures performed for the purposes of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanation given by the management, the managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xi) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership Number: 102102

S.R. BATLIBOI & CO. LLP MUMBAI Chartered Accountants

UDIN: 21102102AAAAKJ7448

Place: Mumbai
Date: June 4, 2021

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF EDELWEISS HOUSING FINANCE LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Ind AS financial statements of Edelweiss Housing Finance Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone financial statements.

Meaning of Internal Financial Controls With Reference to these Financial Statements

A company's internal financial controls with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

S.R. BATLIBOI & CO. LLP MUMBAI Chartered Accountants

Inherent Limitations of Internal Financial Controls With Reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to these standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to these standalone financial statements and such internal financial controls with reference to these standalone financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

S.R. BATLIBOI & CO. LLP MUMBAI Chartered Accountants

per Shrawan Jalan
Partner
Membership Number: 102102

UDIN: 21102102AAAAKJ7448

Place of Signature: Mumbai
Date: June 4, 2021

Edelweiss Housing Finance Limited
Balance Sheet as at March 31, 2021
(Currency : Indian rupees in millions)

	Note	As at March 31, 2021	As at March 31, 2020
ASSETS			
Financial assets			
Cash and cash equivalents	6	**9,455.81**	4,929.16
Bank balances other than cash and cash equivalents	7	**835.30**	739.32
Securities held for trading	8	**155.83**	-
Trade receivables	9	**104.02**	58.46
Loans	10	**35,958.59**	43,200.62
Investments	11	**1,600.86**	1,044.73
Other financial assets	12	**916.75**	244.92
		49,027.16	50,217.21
Non-financial assets			
Current tax assets (net)	13	**21.86**	7.38
Deferred tax assets (net)	14	-	21.25
Property, plant and equipment	15	**118.28**	203.83
Intangible assets under development		**7.10**	1.45
Other intangible assets	16	**2.27**	3.46
Other non- financial assets	17	**134.33**	53.68
		283.84	291.05
TOTAL ASSETS		**49,311.00**	50,508.26
LIABILITIES			
Financial liabilities			
Trade payables	18	**72.28**	85.37
Debt securities	19	**11,676.75**	10,091.57
Borrowings (other than debt securities)	20	**22,628.38**	27,992.02
Subordinated liabilities	21	**508.61**	508.61
Other financial liabilities	22	**6,373.14**	3,948.80
		41,259.16	42,626.37
Non-financial liabilities			
Current tax liabilities (net)	23	**16.90**	106.03
Provisions	24	**37.62**	25.34
Deferred tax liabilities (net)	14	**9.18**	-
Other non-financial liabilities	25	**360.26**	59.78
		423.96	191.15
Equity			
Equity share capital	26	**693.50**	693.50
Other equity	27	**6,934.38**	6,997.24
		7,627.88	7,690.74
TOTAL LIABILITIES AND EQUITY		**49,311.00**	50,508.26

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached.

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number : 301003E/ E300005

per **Shrawan Jalan**
Partner
Membership No. 102102

Place : Mumbai
Date : June 04, 2021

S.R. BATLIBOI & CO. LLP MUMBAI Chartered Accountants

For and on behalf of the Board of Directors
Edelweiss Housing Finance Limited

Rajat Avasthi
MD & CEO
DIN: 07969623

Deepak Mittal
Director
DIN: 00010337

Manish Dhanuka
Chief Financial Officer

Riddhi Parekh
Company Secretary
Membership No. A20867

Edelweiss Housing Finance Limited
Statement of Profit and Loss for the year ended March 31, 2021
(Currency : Indian rupees in millions)

	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from operations			
Interest income	28	5,026.66	5,654.40
Dividend income		1.80	-
Fee and commission income	29	341.46	357.15
Net gain on fair value changes	30	117.25	39.67
Total Revenue from operations		5,487.17	6,051.22
Other income	31	23.37	22.68
Total Revenue		5,510.54	6,073.90
Expenses			
Finance costs	32	3,892.83	4,193.35
Impairment on financial instruments	33	511.40	407.06
Employee benefits expense	34	558.02	690.71
Depreciation, amortisation and impairment	15 & 16	56.40	78.88
Other expenses	35	572.61	720.27
Total expenses		5,591.26	6,090.27
Loss before tax		(80.72)	(16.37)
Tax expenses:			
Current tax	36.1 & 36.2	(51.25)	88.66
(1) Current tax		39.21	99.23
(2) Short / (Excess) provision for earlier years		(90.46)	(10.57)
Deferred tax	36.3	(66.76)	(120.58)
(1) MAT credit entitlement		-	19.82
(2) Deferred tax (net)		(66.76)	(140.40)
Profit for the year		37.29	15.55
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement gain / (loss) on defined benefit plans	40	(2.95)	(1.44)
Less: Income tax relating to items that will not be reclassified to profit or loss	36.3	0.74	0.36
Other Comprehensive Income / (loss)		(2.21)	(1.08)
Total Comprehensive Income		35.08	14.47
Earnings per equity share (Face value of Rs. 10 each):			
(a) Basic	38	0.54	0.22
(b) Diluted		0.54	0.22

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached.

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number : 301003E/ E300005

per **Shrawan Jalan**
Partner
Membership No. 102102

Place : Mumbai
Date : June 04, 2021

For and on behalf of the Board of Directors
Edelweiss Housing Finance Limited

Rajat Avasthi
MD & CEO
DIN: 07969623

Deepak Mittal
Director
DIN: 00010337

Manish Dhanuka
Chief Financial Officer

Riddhi Parekh
Company Secretary
Membership No. A20867

Edelweiss Housing Finance Limited
Statement of Cash flows for the year ended March 31, 2021
(Currency : Indian rupees in millions)

	For the year ended March 31, 2021	For the year ended March 31, 2020
A Cash flow from operating activities		
Loss before tax	(80.72)	(16.37)
Adjustments for		
Depreciation, amortisation and impairment	56.40	78.88
Impairment on financial instruments	511.40	407.06
Interest on lease liabilities	14.88	18.78
Loss / (Gain) on sale of fixed assets	7.76	0.59
Operating cash flow before working capital changes	509.72	488.94
Add / (Less): Adjustments for working capital changes		
Decrease/(Increase) in Receivables	(45.56)	(49.97)
Decrease/(Increase) in Stock in trade	(155.83)	-
Decrease/(Increase) in Receivables from financing business (net)	6,730.63	9,991.33
Decrease/(Increase) in Other financial assets	(767.81)	(841.16)
Decrease/(Increase) in Investments	(556.13)	(1,044.73)
Decrease/(Increase) in Other non financial assets	(80.65)	(5.27)
Increase / (Decrease) in Trade payables	(13.09)	(138.89)
Increase / (Decrease) in Non financial liabilities and provisions	309.80	(80.04)
Increase / (Decrease) in Other financial liability	2,236.37	2,373.10
Cash flow from operations	8,167.45	10,693.32
Income taxes paid	(52.36)	(131.84)
Net cash generated from operating activities -A	8,115.09	10,561.48
B Cash flow from investing activities		
Purchase of Property, plant and equipment and Intangible assets	(23.70)	(44.30)
Decrease/(Increase) in Capital Work-in-progress and Intangibles under development	(5.65)	10.13
Sale of Property, plant and equipment	46.28	2.90
Net cash generated from / (used in) investing activities - B	16.93	(31.27)
C Cash flow from financing activities		
Increase / (Decrease) in Debt securities [1]	1,793.02	(2,568.86)
Increase / (Decrease) in Borrowings other than debt securities [1]	(5,360.01)	(3,573.68)
Repayment of lease obligations	(38.38)	(52.11)
Net cash used in financing activities - C	(3,605.37)	(6,194.65)
Net increase in cash and cash equivalents (A+B+C)	4,526.65	4,335.56
Cash and cash equivalent as at the beginning of the year (refer note 6)	4,929.16	593.60
Cash and cash equivalent as at the end of the year (refer note 6)	9,455.81	4,929.16
Operational cash flows from interest		
Interest paid	3,709.48	4,002.86
Interest received	4,259.83	5,282.27

Notes:

1. Cash receipts and payments for transaction in which the turnover is quick, the amounts are large, and the maturities are short are presented on net basis in accordance with Ind AS-7 Statement of Cash Flows.
2. For disclosure relating to changes in liabilities arising from financing activities, refer note 37
3. Cash flow statement has been prepared under indirect method as set out in Ind AS 7 prescribed under the Companies (Indian Accounting Standards) Rules, 2015 under the Companies Act, 2013.

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached.

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number : 301003E/ E300005

For and on behalf of the Board of Directors
Edelweiss Housing Finance Limited

per **Shrawan Jalan**
Partner
Membership No. 102102

S.R. BATLIBOI & CO. LLP MUMBAI Chartered Accountants

Rajat Avasthi
MD & CEO
DIN: 07969623

Deepak Mittal
Director
DIN: 00010337

Manish Dhanuka
Chief Financial Officer

Riddhi Parekh
Company Secretary
Membership No. A20867

Place : Mumbai
Date : June 04, 2021

Edelweiss Housing Finance Limited

Statement of Changes in Equity for the year ended March 31, 2021

(Currency : Indian rupees in millions)

(a) Equity share capital

	Outstanding as on April 01, 2019	Issued during the year	Outstanding as on March 31, 2020	Issued during the year	Outstanding as on March 31, 2021
Issued, Subscribed and Paid up (Equity shares of Rs.10 each, fully paid-up)	693.50	0.00	693.50	0.00	693.50
	693.50	**0.00**	**693.50**	**0.00**	**693.50**

(b) Other Equity

	Securities Premium Account	Deemed capital contribution - Equity shares	Reserve under section 29C of the National Housing Bank Act, 1987	Debenture redemption reserve	Retained earnings	Total
Balance at April 01, 2019	**4,075.18**	**33.46**	**537.22**	**469.25**	**1,880.34**	6,995.45
Transition impact of Ind AS 116 (net of tax)	-	-	-	-	(12.68)	(12.68)
Profit or loss	-	-	-	-	15.55	15.55
Remeasurement gain / (loss) on defined benefit plans	-	-	-	-	(1.08)	(1.08)
Total Comprehensive Income for the year	-	-	-	-	**14.47**	14.47
Transfers to / from retained earnings	-	-	3.12	-	(3.12)	-
Balance at March 31, 2020	**4,075.18**	**33.46**	**540.34**	**469.25**	**1,879.01**	6,997.24
Transition impact of Ind AS 116 (net of tax)	-	-	-	-	-	-
Profit or loss	-	-	-	-	37.29	37.29
Remeasurement gain / (loss) on defined benefit plans	-	-	-	-	(2.21)	(2.21)
Total Comprehensive Income for the year	-	-	-	-	**35.08**	35.08
Deferred tax liability created on opening Reserve under section 29C of the National Housing Bank Act, 1987	-	-	-	-	(97.94)	(97.94)
Transfers to / from retained earnings	-	-	7.46	(127.93)	120.47	-
Balance at March 31, 2021	**4,075.18**	**33.46**	**547.80**	**341.32**	**1,936.62**	6,934.38

As per our report of even date attached.

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number : 301003E/E300005

per **Shrawan Jalan**
Partner
Membership No. 102102

Place : Mumbai
Date : June 04, 2021

For and on behalf of the Board of Directors
Edelweiss Housing Finance Limited

Rajat Avasthi
MD & CEO
DIN 07969623

Deepak Mittal
Director
DIN 00010337

Manish Dhanuka
Chief Financial Officer

Riddhi Parekh
Company Secretary
Membership No. A20867

1. Corporate Information:

Edelweiss Housing Finance Limited ('EHFL' or 'the Company') is a public limited company domiciled and incorporated on May 30, 2008 under the provisions of the Companies Act applicable in India. The Company is subsidiary of Edelweiss Rural & Corporate Services Limited. The Company is registered as Housing finance institution (without accepting public deposit) with the National Housing Bank (NHB) under section 29A of the NHB Act, 1987, registration no. is 03.0081.10.

The Company's primary business is providing loan to Retail customers for construction or purchase of residential property, loan against property and loans to real estate developers.

2. Basis of preparation:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

These financial statements have been prepared on a historical cost basis, except for certain financial instruments such as, derivative financial instruments, and other financial instruments held for trading, which have been measured at fair value. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest million, except when otherwise indicated.

2.1 Presentation of financial statements:

The Company presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in "Note 41-Maturity Analysis of assets and liabilities".

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Company and or its counterparties

3. Significant accounting policies

3.1 Recognition of Interest income and Dividend income

3.1.1 Effective Interest Rate (EIR):

Under Ind AS 109 interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument or, when appropriate a shorter period to the gross carrying amount of financial instrument.

The EIR is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle including prepayments penalty interest and charges.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income.

3.1.2 Interest Income:

The company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the EIR to the amortised cost (net of expected credit loss) of the financial asset. If the financial assets cure and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Penal interest income on delayed EMI or pre EMI is recognised on receipt basis.

3.1.3 Fee and Commission Income

Fee and commission income include fees other than those that are an integral part of EIR. The Company recognises the fee and commission income in accordance with the terms of the relevant contracts / agreement and when it is probable that the Company will collect the consideration.

3.1.4 Dividend Income

Dividend income is recognised when the Company's right to receive dividend is established by the reporting date.

3.1.5. Other Income

Other Income represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract. Other ancillary charges are recognized upon realisation.

3.2 Financial Instruments:

3.2.1 Date of recognition:

Financial assets and liabilities with exception of loans and borrowings are initially recognised on the trade date, i.e. the date the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans are recognised when funds are transferred to the customers' account. The Company recognises borrowings when funds are available for utilisation to the Company.

3.2.2 Initial measurement of financial instruments:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.2.3 Classification and Measurement categories of financial assets and liabilities:

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost
- Fair value through other comprehensive income [FVOCI)
- Fair value through profit or loss [FVTPL]

The Company measures debt financial assets that meet the following conditions at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

S.R. BATLIBOI & CO. LLP MUMBAI Chartered Accountants

Edelweiss Housing Finance Limited

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the financial asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL.

Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The changes in carrying value of financial assets is recognised in profit and loss account.

Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The changes in fair value of financial assets is recognised in Other Comprehensive Income.

Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL. The Company measures all financial assets classified as FVTPL at fair value at each reporting date. The changes in fair value of financial assets is recognised in Profit and loss account.

3.3 Financial Assets and Liabilities:

3.3.1 Financial assets held for trading:

The Company classifies financial assets as held for trading when they have been purchased primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there evidence of a recent pattern of short-term profit is taking. Held-for-trading assets are recorded and measured in the balance sheet at fair value. Changes in fair value are recognised in net gain on fair value changes.

3.3.2 Debt securities and other borrowed funds:

The Company measures debt issued and other borrowed funds at Amorised cost at each reporting date. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR.

S.R. BATLIBOI & CO. LLP MUMBAI Chartered Accountants

Edelweiss Housing Finance Limited

3.3.3 Financial Guarantee:

Financial guarantees are contract that requires the Company to make specified payments to reimburse to holder for loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument.

Financial guarantee issued or commitments to provide a loan at below market interest rate are initially measured at fair value and the initial fair value is amortised over the life of the guarantee or the commitment. Subsequently they are measured at higher of this amortised amount and the amount of loss allowance.

3.3.4 Loan Commitments:

Undrawn loan commitments are commitments under which, the Company is required to provide a loan with pre-specified terms to the customer over the duration of the commitment. Undrawn loan commitments are in the scope of the ECL requirements.

3.4 Reclassification of Financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. The Company didn't reclassify any of its financial assets or liabilities in current year and previous year.

3.5 Derecognition of financial Instruments:

3.5.1 Derecognition of financial asset

A financial asset (or, where applicable a part of a financial asset or a part of a group of similar financial assets) is derecognised when the rights to receive contractual cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either

- The Company has transferred the rights to receive cash flows from the financial asset or
- It retains the contractual rights to receive the cash flows of the financial asset, but assumed a contractual obligation to pay the cash flows in full without material delay to third party under pass through arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.

- The Company cannot sell or pledge the original asset other than as security to the eventual recipients.

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The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset; or

- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

The Company also derecognises a financial asset, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new financial asset, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

3.5.2 Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid, including modified contractual cash flow recognised as new financial liability, is recognised statement of profit or loss.

3.6 Impairment of financial assets:

The Company records provisions based on expected credit loss model ("ECL") on all loans, other financial assets not measured at FVTPL together with undrawn loan commitment and financial guarantee contracts, in this section all referred to as "Financial instrument". Equity instruments are not subject to impairment.

ECL is a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original effective interest rate. Because ECL consider the amount and timing of payments, a credit loss arises even if the entity expects to be paid in full but later than when contractually due.

Simplified Approach

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its receivables. The provision matrix is based on its historically observed default rates over the expected life of the receivables. However, if receivables contain a significant financing component, the Company chooses as its accounting policy to measure the loss allowance by applying general approach to measure ECL.

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General Approach

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk (SICR) since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses (12m ECL). The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of an evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The measurement of expected credit losses is a function of the probability of default (PD), loss given default (LGD) (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default (EAD), for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

Company categories its financial assets as follows:

Stage 1 Assets:
Stage 1 assets includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month ECL (resulting from default events possible within 12 months from reporting date) are recognised.

Stage 2 Assets:
Stage 2 Assets includes financial instruments that have had a significant increase in credit risk since initial recognition For these assets lifetime ECL (resulting from default events possible within 12 months from reporting date) are recognised.

Stage 3 Assets:
Stage 3 for Assets considered credit-impaired the Company recognises the lifetime ECL for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

The expected credit losses on the loan commitment have been recognised together with the loss allowance for the financial asset.

The Company's product offering includes a working capital facilities with a right to Company to cancel and/or reduce the facilities with one day's notice. The Company does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Company's expectations of the customer behaviour, its likelihood of default and the Company's future risk mitigation procedures, which could include reducing or cancelling the facilities.

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3.7 Collateral Valuation:

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit / guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Company's balance sheet. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a periodic basis. However, some collateral, for example, securities relating to margin requirements, is valued daily.

To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market value are valued using models.

3.8 Collateral Repossessed:

The Company's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in, line with the Company's policy.

In its normal course of business, the Company does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the balance sheet.

3.9 Write-Offs:

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery.

3.10 Forborne and modified loan:

The Company sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Company considers a loan forborne when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Company would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the Credit Risk Department. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms. It is the Company's policy to monitor forborne loans to help ensure that future payments continue to be likely to occur. Derecognition decisions and classification between Stage 2 and Stage 3 are determined on a case-by-case basis. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset, until it is collected or written off.

3.11 Determination of Fair Value:

The Company measures financial instruments, such as, derivatives at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either;

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

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The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

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

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

Level 3 financial instruments:
Those that include one or more unobservable input that is significant to the measurement as whole.
For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

Therefore, the Company applies various techniques to estimate the credit risk associated with its financial instruments measured at fair value, which include a portfolio-based approach that estimates the expected net exposure per counterparty over the full lifetime of the individual assets, in order to reflect the credit risk of the individual counterparties for non-collateralised financial instruments.

The Company evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary based on the facts at the end of the reporting period.

3.12 Leases:

Company as a lessee:

The Company has applied Ind AS 116 using the partial retrospective approach.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right of use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

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Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short term lease

The Company has elected not to recognise right of use asset and lease liabilities for short term leases of property that has lease term of 12 months or less. The Company recognises lease payment associated with these leases as an expense on a straight line basis over lease term.

Company as lessor:

The Company's accounting policy under Ind AS 116 has not changed from the comparative period. As a lessor the Company classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset and classified as an operating lease if it does not.

3.13 Earnings Per Share:

Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

3.14 Retirement and other employee benefit:

3.14.1 Provident fund and national pension scheme:

The Company contributes to a recognised provident fund and national pension scheme which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognised in the statement of profit and loss.

3.14.2 Gratuity:

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted. The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method.

Re-measurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Remeasurement are not reclassified to profit or loss in subsequent periods.

3.14.3 Compensated Absences:

The eligible employees of the Company are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Company recognises the charge in the statement of profit and loss and corresponding liability on such non-vesting accumulated leave entitlement based on a valuation by an independent actuary. The cost of providing annual leave benefits is determined using the projected unit credit method.

3.14.4 Equity-settled share-based payments and Stock Appreciation Rights (SARs):

Equity-settled share-based payments to employees are granted by the ultimate parent Company. These are measured by reference to the fair value of the equity instruments at the grant date. These includes Stock Appreciation Rights (SARs) where the right to receive the difference between the SAR price and the market price of equity shares of the ultimate parent Company on the date of exercise, either by way of cash or issuance of equity shares of the ultimate parent Company, is at the discretion of the ultimate parent Company. These are classified as equity settled share based transaction.

The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the 'ESOP reserve'. In cases where the share options granted vest in instalments over the vesting period, the Group treats each instalment as a separate grant, because each instalment has a different vesting period, and hence the fair value of each instalment differs.

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3.15 Property, plant and equipment:

Property plant and equipment is stated at cost excluding the costs of day–to–day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent costs incurred on an item of property, plant and equipment is recognised in the carrying amount thereof when those costs meet the recognition criteria as mentioned above. Repairs and maintenance are recognised in profit or loss as incurred.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives. Depreciation is provided on a written down value basis from the date the asset is ready for its intended use or put to use whichever is earlier. In respect of assets sold, depreciation is provided upto the date of disposal.

As per the requirement of Schedule II of the Companies Act, 2013, the Company has evaluated the useful lives of the respective fixed assets which are as per the provisions of Part C of the Schedule II for calculating the depreciation. The estimated useful lives of the fixed assets are as follows:

Nature of assets	Estimated useful lives
Furniture and fixtures	10 years
Vehicles	8 years
Office Equipment	5 years
Computers - Servers and networks	6 years
Computers - End user devices, such as desktops, laptops, etc.	3 years

Leasehold improvements are amortised on a straight-line basis over the estimated useful lives of the assets or the period of lease whichever is earlier.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The carrying amount of those components which have been separately recognised as assets is derecognised at the time of replacement thereof. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.16 Intangible Assets:

Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any. Intangibles such as software are amortised over a period of 3 years based on its estimated useful life.

3.17 Impairment of non-financial assets:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the assets is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

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3.18 Provisions and other contingent liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

3.19 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less

3.20 Income tax expenses:

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.20.1 Current tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3.20.2 Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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3.20.3 Current and Deferred tax for the year:

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

4. Significant accounting judgements, estimates and assumptions:

The preparation of these financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the standalone financial statements are included are given below:

4.1 Business model assessment:

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

4.2 Significant increase in credit risk:

As explained in note 46.1, ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. Ind AS 109 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information. Refer to note 46.1 for more details.

4.3 Key sources of estimation uncertainty:

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

4.4 Fair value of financial instruments:

The Fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions based on market conditions existing at the end of each reporting period. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk, funding value adjustments, correlation and volatility.

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4.5 Effective Interest Rate (EIR) Method:

The Company's EIR methodology, as explained in Note 3.1.1, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle including prepayments and penalty interest and charges.

This estimation, by nature requires an element of judgement regarding the expected behaviour and life cycle of the instrument, as well expected changes India's base rate and other fee income, expenses that are integral part of the instrument

4.6 Impairment of Financial assets:

The impairment provisions for the financial assets except assets valued at fair value through Profit & Loss account (FVTPL) are based on assumptions about estimation of the amount and timing of future cash flows, collateral values, assessment of a significant increase in credit risk, probability of default (PD) and Loss given default (LGD) rates. The Company uses judgements in making these assumptions and selecting the inputs for impairment calculations based on its past history, existing market conditions and forward looking estimates at the end of each period. These estimates are driven by number of factors, change in which can result in different level of allowance.

The Company's expected credit loss (ECL) calculations are output of complex model with number of underlying assumptions regarding choice of variable inputs and their interdependencies Elements of the ECL models that are considered accounting judgements and estimates include:

- The Company's internal credit grading model, which assigns PDs to the individual grades based on ageing.
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment.
- The segmentation of financial assets when their ECL is assessed on a collective basis.
- Development of ECL models, including the various formulas and the choice of inputs Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs.
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

4.7 Impairment of Non-Financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exist, the Company estimates the asset's recoverable amount. An asset's recoverable amount is higher of an asset's fair value less cost of disposal and its value in use. Where the carrying amount exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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4.8 Provisions and contingent liabilities:

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of its business.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

4.9 Provisions for Income Taxes:
Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectation of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

4.10 Leases:

Significant judgements are involved in evaluating if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The Company also uses significant judgement in assessing the applicable discount rate which is an equivalent to incremental borrowing rate estimated on best effort basis.

5. Standards issued but not yet effective:

There are no new standard or amendment issued but not effective.

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(Currency : Indian rupees in millions)

		As at March 31, 2021	As at March 31, 2020
6	**Cash and cash equivalents**		
	Cash on hand	-	0.03
	Balance with banks		
	- in current accounts	1,972.39	745.37
	- in fixed deposits with original maturity less than three months	7,483.42	4,183.76
		9,455.81	4,929.16
7	**Bank balances other than cash and cash equivalents**		
	Fixed deposits with original maturity more than 12 months	598.51	600.21
	Fixed deposits with original maturity more than three months and less than 12 months	236.79	139.11
		835.30	739.32
7.A	**Encumbrances on fixed deposits with bank held by the Company**		
	Given as credit enhancements towards securitisation/ assignment	762.40	566.16
	Given as margin against the bank guarantee issued in favour of BSE Limited towards public issuance of non convertible debentures	25.62	25.17

8	**Securities held for trading**	As at March 31, 2021			As at March 31, 2020		
	At fair value through profit and loss account	**Face value**	**Quantity**	**Amount**	Face value	Quantity	Amount
	Debt Securities						
	0.00% Edelweiss Rural & Corporate Services Limited 15.07.2021 Bonds	10,00,000	72	90.11	-	-	-
	Total Debt securities (A)			90.11			-
	Equity instruments						
	Indian Railway Finance Corporation Limited	10	17,09,857	39.15	-	-	-
	MTAR Technologies Ltd	10	4,595	4.70	-	-	-
	Laxmi Organic Industries Ltd	2	1,05,597	18.43	-	-	-
	Nazara Technologies Ltd	4	2,345	3.44	-	-	-
	Total equity instruments (B)			65.72			
	Total (A+B)			155.83			-

Notes: Please refer note 47.2 Fair Value measurement for valuation methodologies for securities held for trading.

		As at March 31, 2021	As at March 31, 2020
9	**Trade receivables**		
	Receivables considered good - non-related party	77.41	47.35
	Receivables considered good - related party - (Refer note 43)	30.70	11.11
	Receivables which have significant increase in credit risk	0.10	0.26
		108.21	58.72
	Less : Allowance for expected credit losses	(4.19)	(0.26)
		104.02	58.46
		104.02	58.46

Reconciliation of impairment allowance on trade receivables:	For the year ended March 31, 2021	For the year ended March 31, 2020
Impairment allowance measured as per simplified approach		
Impairment allowance - Opening Balance	(0.26)	(0.07)
Add/ (less): asset originated or acquired (net)	(3.93)	(0.19)
Impairment allowance - Closing Balance	(4.19)	(0.26)

Note: For disclosure relating to trade receivable ageing/ provision matrix, refer note 48

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Edelweiss Housing Finance Limited

(Currency : Indian rupees in millions)

		As at March 31, 2021	As at March 31, 2020
10	**Loans (at amortised cost)**		
	A. Term Loans		
	(i) Housing Loans	22,001.66	26,419.42
	(ii) Non Housing Loans	14,451.92	17,190.97
	Total (A) - Gross	36,453.58	43,610.39
	Less: Impairment loss allowance	(494.99)	(409.77)
	Total (A) - Net	35,958.59	43,200.62
	B. Term Loans		
	(i) Secured by tangible assets (Refer note 46.1.2)	34,937.09	43,580.99
	(ii) Unsecured	1,516.49	29.40
	Total (B) - Gross	36,453.58	43,610.39
	Less: Impairment loss allowance	(494.99)	(409.77)
	Total (B) - Net	35,958.59	43,200.62
	C. Term Loans		
	C.I Loans in India		
	(i) Public Sectors	-	-
	(ii) Others	36,453.58	43,610.39
	Total (C.I) - Gross	36,453.58	43,610.39
	Less: Impairment loss allowance	(494.99)	(409.77)
	Total (C.I) - Net	35,958.59	43,200.62
	C.II Loans outside India	-	-
	Less: Impairment loss allowance	-	-
	Total (C.II) - Net	-	-
	Total: (C I and C II)	35,958.59	43,200.62

Notes:

(i) The non-housing loan referred in note 10(A)(i) includes an amount of Rs. 710.08 million (previous year includes Rs. 755.03 million) being mortgage credit insurance premium payable by the obligor on housing loan.

(ii) There were no loans given against the collateral of gold jewellery and hence the percentage of such loans to the total outstanding asset is Nil (previous year Nil).

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Edelweiss Housing Finance Limited

(Currency : Indian rupees in millions)

10.1. Credit Quality of Assets

The table below shows the credit quality and the maximum exposure to credit risk based on year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 46.1 and policies on ECL allowances are set out in Note 3.6.

(a) Gross carrying amount of loan assets allocated to Stage 1, Stage 2 and Stage 3

Particulars	As at March 31, 2021 Stage I	Stage II	Stage III	Total	As at March 31, 2020 Stage I	Stage II	Stage III	Total
Loans (at amortised cost)								
Performing								
High grade	**30,886.26**	-	-	**30,886.26**	39,941.18	-	-	39,941.18
Standard grade	-	**4,291.50**	-	**4,291.50**	-	2,908.64	-	2,908.64
Non-performing								
Impaired	-	-	**1,275.82**	**1,275.82**	-	-	760.57	760.57
Total	**30,886.26**	**4,291.50**	**1,275.82**	**36,453.58**	39,941.18	2,908.64	760.57	43,610.39

(b) Reconciliation of changes in gross carrying amount and the corresponding ECL in relation to loan assets are, as follows:

Particulars	Non-credit impaired Stage I Gross carrying amount	Stage I Allowance for ECL	Stage II Gross carrying amount	Stage II Allowance for ECL	Credit impaired Stage III Gross carrying amount	Stage III Allowance for ECL	Total Gross carrying amount	Total Allowance for ECL
For the year ended March 31, 2021								
Opening Balance	39,941.18	56.36	2,908.64	237.64	760.57	110.41	43,610.39	404.40
Transfers:								
Transfers to 12 Month ECL (Stage 1)	412.66	30.53	(376.24)	(26.57)	(36.42)	(3.96)	-	-
Transfers to lifetime ECL (Stage 2)	(2,965.61)	(6.65)	2,975.06	7.70	(9.45)	(1.05)	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	(884.55)	(2.05)	(1,236.14)	(113.35)	2,120.69	115.40	-	-
Net remeasurement of ECL arising from transfer of stage	-	(6.74)	-	184.87	-	34.90	-	213.03
Net new and further lending/ (repayments)	(5,611.41)	10.84	21.07	(10.31)	5.95	36.80	(5,584.39)	37.33
Amounts written off	(5.94)	(0.01)	(0.88)	(0.56)	(56.15)	(33.39)	(62.97)	(33.96)
Loans sold to assets resconstruction company*	-	-	-	-	(1,509.43)	(128.75)	(1,509.43)	(128.75)
Closing balance	**30,886.33**	**82.28**	**4,291.51**	**279.42**	**1,275.76**	**130.36**	**36,453.60**	**492.05**
For the year ended March 31, 2020								
Opening Balance	**51,158.39**	**117.97**	**1,820.64**	**102.30**	**982.91**	**139.02**	**53,961.94**	**359.28**
Transfers:								
Transfers to 12 Month ECL (Stage 1)	239.98	18.36	(225.03)	(16.84)	(14.95)	(1.52)	-	-
Transfers to lifetime ECL (Stage 2)	(1,970.67)	(11.43)	1,984.21	12.79	(13.54)	(1.36)	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	(986.57)	(6.46)	(507.63)	(27.78)	1,494.20	34.24	-	-
Net remeasurement of ECL arising from transfer of stage		(17.62)		140.77		49.64	-	172.79
Net new and further lending/ (repayments)	(8,499.76)	(44.40)	(162.78)	26.99	(7.43)	7.22	(8,669.97)	(10.19)
Amounts written off	(0.19)	(0.06)	(0.77)	(0.59)	(41.80)	(39.98)	(42.76)	(40.63)
Loans sold to assets resconstruction company	-	-	-	-	(1,638.82)	(76.85)	(1,638.82)	(76.85)
Closing balance	**39,941.18**	**56.36**	**2,908.64**	**237.64**	**760.57**	**110.41**	**43,610.39**	**404.40**

*The Company had initiated sale of certain credit impaired financial assets before March 31, 2021 and for which definitive contracts were executed post the balance sheet date. These financial assets sold after March 31, 2021, amounted to Rs. 430.41 million to asset reconstruction companies trusts (ARC Trust). As per Ind AS 109, Financial Instruments, prescribed under section 133 of the Companies Act, 2013 significant judgement is involved in classification of assets which has been accentuated on account of factors caused by COVID 19. Accordingly, on account of subsequent sale to and recovery from ARC Trusts of such credit impaired assets, management has recorded such financial assets as recoverable and not as credit impaired financial assets. EFSL, the holding Company has, undertaken substantially all risks and rewards in respect of these financial assets aggregating to Rs. 365.84 million. As at March 31, 2021, there are no impact on the financial statements of the Company other than expected credit loss recorded in the Profit and Loss Statement for the quarter and year ended March 31, 2021 amounting to Rs. 72.94 million.

(Currency : Indian rupees in millions)

10.2. Credit Quality of exposure (Loan Commitment)

(a) Gross carrying amount of loan commitment allocated to Stage I, Stage 2 and Stage 3

	As at March 31, 2021				As at March 31, 2020			
Particulars	**Stage I**	**Stage II**	**Stage III**	**Total**	Stage I	Stage II	Stage III	Total
Loans (at amortised cost)								
Performing								
High grade	1,257.25	-	-	1,257.25	439.61	-	-	439.61
Standard grade	-	10.02	-	10.02	-	42.20	-	42.20
Non-performing								
Impaired	-	-	13.99	13.99	-	-	2.38	2.38
Total	**1,257.25**	**10.02**	**13.99**	**1,281.26**	439.61	42.20	2.38	484.19

(b) Reconciliation of changes in gross carrying amount and the corresponding ECL in relation to loan commitment are, as follows:

For the year ended March 31, 2021

	Non-credit impaired				Credit impaired		Total	
	Stage I		Stage II		Stage III			
Particulars	**Gross carrying amount**	**Allowance for ECL**	**Gross carrying amount**	**Allowance for ECL**	**Gross carrying amount**	**Allowance for ECL**	**Gross carrying amount**	**Allowance for ECL**
As at April 01, 2020	**439.61**	**0.28**	**42.20**	**4.90**	**2.38**	**0.19**	**484.20**	**5.37**
Transfers:								
Transfers to 12 Month ECL (Stage 1)	-	-	-	-	-	-	-	-
Transfers to lifetime ECL (Stage 2)	(16.00)	(0.09)	16.00	0.09	-	-	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	(7.61)	(0.02)	(6.34)	(0.02)	13.94	0.05	-	-
Net remeasurement of ECL arising from transfer of stage	-	-	-	-	-	-	-	-
Net new sanctions and (disbursements)	841.25	0.80	(41.85)	(4.39)	(2.34)	1.16	797.06	(2.43)
Closing balance	**1,257.25**	**0.97**	**10.01**	**0.58**	**13.98**	**1.40**	**1,281.26**	**2.94**

For the year ended March 31, 2020

Particulars	Stage I Gross carrying amount	Stage I Allowance for ECL	Stage II Gross carrying amount	Stage II Allowance for ECL	Stage III Gross carrying amount	Stage III Allowance for ECL	Total Gross carrying amount	Total Allowance for ECL
As at April 01, 2019	**1,301.71**	**1.12**	**131.05**	**0.66**	**84.45**	**1.87**	**1,517.21**	**3.65**
Transfers:								
Transfers to 12 Month ECL (Stage 1)	1.44	0.12	(1.18)	(0.09)	(0.26)	(0.03)	-	-
Transfers to lifetime ECL (Stage 2)	(9.33)	(0.03)	9.55	0.05	(0.22)	(0.02)	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	(1.73)	-	-	-	1.73	-	-	-
Net remeasurement of ECL arising from transfer of stage	-	(0.12)	-	0.42	-	0.10		0.40
Net new sanctions and (disbursements)	(852.48)	(0.81)	(97.22)	3.86	(83.32)	(1.73)	(1,033.02)	1.32
Closing balance	**439.61**	**0.28**	**42.20**	**4.90**	**2.38**	**0.19**	**484.19**	**5.37**

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11 Investments

As at March 31, 2021	At Amortised cost (1)	At fair value			Subtotal 5 = (2+3+4)	At cost (6)	Total (7)= (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through Profit or loss (4)			
Security receipts (refer note below)	-	-	1,600.86	-	1,600.86	-	1,600.86
Total - Gross (A)	-	-	**1,600.86**	-	**1,600.86**	-	**1,600.86**
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	-	-	1,600.86	-	1,600.86	-	1,600.86
Total (B)	-	-	**1,600.86**	-	**1,600.86**	-	1,600.86
Less: Allowance for impairment (C)	-	-	-	-	-	-	-
Total Net (A-C)	-	-	**1,600.86**	-	**1,600.86**	-	1,600.86

As at March 31, 2020	At Amortised cost (1)	At fair value			Subtotal 5 = (2+3+4)	At cost (6)	Total (7)= (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through Profit or loss (4)			
Security receipts (refer note below)	-	-	1,044.73	-	1,044.73	-	1,044.73
Total - Gross (A)	-	-	**1,044.73**	-	**1,044.73**	-	**1,044.73**
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	-	-	1,044.73	-	1,044.73	-	1,044.73
Total (B)	-	-	**1,044.73**	-	**1,044.73**	-	1,044.73
Less: Allowance for impairment (C)	-	-	-	-	-	-	-
Total Net (A-C)	-	-	**1,044.73**	-	**1,044.73**	-	1,044.73

Notes:

1 During earlier years and during the year ended March 31, 2021, the Company sold financial assets amounting to Rs. 1,325.00 million (net of losses) and Rs. 721.78 million (net of losses) respectively to various asset reconstructions company trusts ('ARC Trusts') and acquired security receipts (SR) amounting to Rs. 1,044.87 million and Rs. 613.53 million respectively from these ARC Trusts. Ind AS 109 – 'Financial Instruments', prescribed under section 133 of the Companies Act, 2013 requires substantially all risks and rewards to be transferred for the purpose of de-recognition of such financial assets from the Company's financial statements. Edelweiss Financial Services Limited (EFSL), the holding company, and Edelweiss Rural and Corporate Services Limited (ERCSL), a fellow subsidiary, had undertaken substantially all risks and rewards amounting to Rs. 924.71 million and Rs. 542.69 million respectively for earlier years and for the year ended March 31, 2021 in respect of such financial assets. As a result, these Security Receipts are recognised under Other Financial Assets in Company's financial statements.

Based on a review performed by the Company's management and EFSL, with effect from January 1, 2021, EFSL has directly undertaken substantially all risks and rewards and consequently ERCSL is relieved of its obligations. Further, pursuant to such review, certain terms and conditions of risk and rewards agreements have been amended with effect from January 1, 2021. The Board of Directors of the Company in the meeting held on June 4, 2021 have approved such amendments to the said agreements. Further, the amendments to the said agreement shall be placed by the management of ERCSL and EFSL in their respective ensuing Board of Directors' meeting for review and approval.

2 Pursuant to amendments in risk and rewards agreement (as mentioned in note 1 above) between the Company, ERCSL and EFSL, with effect from January 1, 2021, fees payable on these security receipts (ARC Fees) has been agreed to be borne by EFSL, as substantially all risks and rewards are undertaken by EFSL. Accordingly, an amount of Rs. 12.06 million towards such expenses has been recorded by EFSL. Accordingly, loss before tax of the Company for the year ended March 31, 2021 is lower by Rs. 12.06 million.

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(Currency : Indian rupees in millions)

		As at March 31, 2021	As at March 31, 2020
12	**Other financial assets**		
	(unsecured, considered good)		
	Security Deposits	**205.33**	208.13
	Deposits placed with exchange depositories	**30.00**	30.00
	Advances to others	**681.42**	6.79
		916.75	244.92
13	**Current tax assets (net)**		
	Advance income taxes	**21.86**	7.38
	(net of provision for tax Rs.337.65 million, previous year Rs. 200.50 million)		
		21.86	7.38
14	**Deferred tax assets (net)**		
	Deferred tax assets		
	Loans		
	Provision for Expected credit loss	**136.84**	100.55
	Unamortised processing fees - EIR on lending	**31.98**	55.03
	Property, plant and equipment and intangibles		
	Difference between book and tax depreciation	**11.26**	9.46
	Employee benefit obligations		
	Provision for compensated absences	**1.24**	0.96
	Disallowances under section 43B of the Income Tax Act, 1961	**18.25**	5.12
	Unused tax losses		
	Lease liability	**30.59**	45.96
	Others	**32.40**	0.07
		262.56	217.15
	Deferred tax liabilities		
	Investments and other financial instruments		
	Unamortised loan origination costs - EIR on lending	**25.86**	50.23
	Recognition of Interest Strip on assignment deals	**107.87**	83.13
	Accrued Interest on Stage 3 receivables	**1.87**	6.18
	Borrowings		
	Effective interest rate on financial liabilities	**13.52**	17.36
	Right-of-use Asset (ROU)	**23.92**	39.00
	Special Reserve u/s 36(1) (viii)	**98.70**	-
		271.74	195.90
		(9.18)	21.25

Note: For disclosure relating to movement of deferred tax assets/ liabilities, refer note 36.3

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Notes to the financial statements for the year ended March 31, 2021 (Continued)
(Currency : Indian rupees in millions)

15 Property, Plant and Equipment

Description of Assets	Gross Block				Accumulated Depreciation and Impairment				Net Block
	As at April 1, 2020	Additions during the year	Disposals during the year	As at March 31, 2021	As at April 1, 2020	Charge for the year	Disposals during the year	As at March 31, 2021	As at March 31, 2021
Property, Plant and Equipment									
Land*	1.21	-	-	**1.21**	-	-	-	-	1.21
Leasehold improvements	29.87	-	11.79	**18.08**	12.05	5.15	6.50	10.70	7.38
Furniture and Fixtures	14.60	1.37	7.32	**8.65**	6.59	2.06	4.30	4.35	4.30
Vehicles	0.32	-	-	**0.32**	0.23	-	-	0.23	0.09
Office equipment	18.47	0.18	7.64	**11.01**	11.35	2.85	6.05	8.15	2.86
Computers	62.39	0.81	4.35	**58.85**	47.77	7.44	3.71	51.50	7.35
Right-of-use Asset (ROU)	196.18	19.56	43.50	**172.24**	41.22	35.93	-	77.15	95.09
Total	**323.04**	**21.92**	**74.60**	**270.36**	**119.21**	**53.43**	**20.56**	**152.08**	**118.28**

16 Other Intangible Assets

Description of Assets	Gross Block				Accumulated Amortisation and Impairment				Net Block
	As at April 1, 2020	Additions during the year	Disposals during the year	As at March 31, 2021	As at April 1, 2020	Charge for the year	Disposals during the year	As at March 31, 2021	As at March 31, 2021
Other Intangible Assets									
Software	14.17	1.78	-	**15.95**	10.71	2.97	-	13.68	2.27
Total	**14.17**	**1.78**	**-**	**15.95**	**10.71**	**2.97**	**-**	**13.68**	**2.27**

Note:
*Charged against secured redeemable non-convertible debentures

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Edelweiss Housing Finance Limited
Notes to the financial statements for the year ended March 31, 2021 (Continued)
(Currency : Indian rupees in millions)

15. Property, Plant and Equipment (Previous Year)

Description of Assets	Gross Block					Accumulated Depreciation and Impairment					Net Block
	As at April 1, 2019	Transition impact of Ind AS 116	Additions during the year	Disposals during the year	**As at March 31, 2020**	As at April 1, 2019	Transition impact of Ind AS 116	Charge for the year	Disposals during the year	**As at March 31, 2021**	As at March 31, 2020
Property, Plant and Equipment											
Land*	1.21	-	-	-	**1.21**	-	-	-	-	-	1.21
Leasehold improvements	22.20	-	13.17	5.50	**29.87**	8.24	-	8.24	4.43	**12.05**	17.82
Furniture and Fixtures	12.64	-	3.04	1.08	**14.60**	4.31	-	3.11	0.83	**6.59**	8.01
Vehicles	1.79	-	-	1.47	**0.32**	0.96	-	0.19	0.92	**0.23**	0.09
Office equipment	14.99	-	5.22	1.74	**18.47**	6.66	-	6.13	1.44	**11.35**	7.12
Computers	64.96	-	3.48	6.05	**62.39**	36.63	-	15.87	4.73	**47.77**	14.62
Right-of-use Asset (ROU)**	-	179.04	17.41	0.27	**196.18**	-	-	41.49	0.27	**41.22**	154.96
Total	**117.79**	**179.04**	**42.32**	**16.11**	**323.04**	**56.80**	**-**	**75.03**	**12.62**	**119.21**	**203.83**

16. Other Intangible Assets (Previous Year)

Description of Assets	Gross Block					Accumulated Amortisation and Impairment					Net Block
	As at April 1, 2019	Additions during the year	Additions during the year	Disposals during the year	**As at March 31, 2020**	As at April 1, 2019	Charge for the year	Charge for the year	Disposals during the year	**As at March 31, 2020**	As at March 31, 2020
Other Intangible Assets											
Software	12.19	-	1.98	-	**14.17**	6.86	-	3.85	-	**10.71**	3.46
Total	**12.19**	**-**	**1.98**	**-**	**14.17**	**6.86**	**-**	**3.85**	**-**	**10.71**	**3.46**

Notes:
*Charged against secured redeemable non-convertible debentures
**Effective April 1, 2019, the Company adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019, using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, comparatives for the year ended March 31, 2019, have not been retrospectively adjusted. On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of Rs 179.04 million and a lease liability of Rs 198.53 million with a corresponding deferred tax asset of Rs. 6.81 million. The cumulative effect of applying the standard thus resulted in Rs 12.68 million being debited to retained earnings as at April 1, 2019, net of taxes. In the profit or loss for the current year, the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability. Thus, other expenses have reduced by Rs 52.11 million whereas depreciation and amortisation expense has increased by Rs 41.49 million and finance cost has increased by Rs 18.78 million for the year ended March 31, 2020 consequent to adoption of Ind AS 116. This has had an impact on deferred tax credit by Rs. 0.10 million for the year ended March 31, 2020. Also, total assets have increased by Rs 154.96 million and total liabilities have increased by Rs 182.62 million as at March 31, 2020.

(Currency : Indian rupees in millions)

		As at March 31, 2021	As at March 31, 2020
17	**Other non-financial assets**		
	Input tax credit (Goods and Services Tax)	**65.99**	38.53
	Prepaid expenses	**47.63**	9.75
	Advance to vendors	**4.90**	2.88
	Advances to employees	**2.22**	2.52
	Advances recoverable in cash or in kind or for value to be received	**13.59**	0.00
		134.33	53.68
18	**Trade Payables**		
	Trade payables to non-related parties	**51.63**	56.56
	Trade payables to related parties - (Refer note 43)	**20.65**	28.81
		72.28	85.37
	Notes:		
	(i) Total outstanding dues to creditors other than micro enterprises and small enterprises	**72.28**	85.37
	(ii) Total outstanding dues of micro enterprises and small enterprises	**-**	-
19	**Debt securities (In India)**		
	(At amortised cost)		
	Non-convertible redeemable debentures (Secured)		
	Privately Placed Non-convertible debentures	**7,258.15**	5,422.98
	Publicly Placed Non-convertible debentures	**4,418.60**	4,668.59
		11,676.75	10,091.57

Note: For disclosure relating to repayment and other terms, refer note 50

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(Currency : Indian rupees in millions)

		As at March 31, 2021	As at March 31, 2020
20	**Borrowings other than debt securities (In India)** (At amortised cost)		
	Term loans (secured)		
	- From Banks	**18,738.53**	24,664.39
	- From National Housing Bank	**2,540.58**	2,384.83
		21,279.11	27,049.22
	Note: For disclosure relating to repayment and other terms, refer note 49		
	Bank overdraft (secured) [Secured by charge on receivables from financing business] Bank overdraft is in nature of Committed Cash Credit lines repayable on demand. (Interest rate range, March-21: 8.50% - 10.25%, March-20: 9.25% - 10.50%)	**149.27**	629.69
	Working capital demand loan (WCDL) [Secured by charge on receivables from financing business] WCDL is in nature of short term loan. (Interest rate range, March-21: 8.50% - 10.25%, March-20: 9.25% - 10.50%)	**1,200.00**	300.00
	Loan from related parties (Unsecured) (Repayable on demand, Interest rate payable @ 11.00% - 12.25%, previous year 11.00%)	-	13.11
		22,628.38	27,992.02
21	**Subordinated liabilities (In India)** (At amortised cost)		
	Non-convertible subordinated debentures (Unsecured)	**508.61**	508.61
		508.61	508.61
	Note: For disclosure relating to repayment and other terms, refer note 51		
22	**Other financial liabilities**		
	Liability on assigned loans under PCG scheme	**5,266.66**	3,554.54
	Amount payable on assigned loans	**399.26**	189.03
	Other payables	**0.23**	17.39
	Book overdraft	**542.18**	-
	Payable to employees	**43.27**	5.23
	Lease liabilities (Ind AS 116)	**121.54**	182.61
		6,373.14	3,948.80

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Edelweiss Housing Finance Limited

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Notes to the financial statements for the year ended March 31, 2021 (Continued)
(Currency : Indian rupees in millions)

	As at March 31, 2021	As at March 31, 2020
23 Current tax liabilities (net)		
Provision for taxation (net of advance tax Rs. 848.52 million, previous year Rs. 939.00 million)	16.90	106.03
	16.90	106.03
24 Provisions		
Provision for employee benefits (Refer note 40)		
Gratuity	**32.51**	20.34
Compensated leave absences	**4.94**	3.81
Provision for expenses	**0.17**	1.19
	37.62	25.34
25 Other non-financial liabilities		
Revenue received in advance	**1.81**	3.20
Payable to others	**337.66**	42.11
Statutory dues payable	**20.79**	14.47
	360.26	59.78

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(Currency : Indian rupees in millions)

		As at March 31, 2021	As at March 31, 2020
26	**Equity share capital**		
	Authorised :		
	7,50,00,000 (Previous year: 7,50,00,000) equity shares of Rs.10 each	**750.00**	750.00
		750.00	750.00
	Issued, Subscribed and Paid up:		
	6,93,50,000 (Previous year: 6,93,50,000) Equity shares of Rs. 10, fully paid-up	**693.50**	693.50
		693.50	693.50

(a) Movement in share capital :

	As at March 31, 2021		As at March 31, 2020	
	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	**6,93,50,000**	**693.50**	6,93,50,000	693.50
Shares issued during the year	-	-	-	-
Outstanding at the end of the year	**6,93,50,000**	**693.50**	6,93,50,000	693.50

(b) Terms/rights attached to equity shares :

The Company has only one class of equity shares having a par value of Rs. 10. Each holder of equity shares is entitled to one vote. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.

(c) **Shares held by holding/ultimate holding company and/or their subsidiaries**

	As at March 31, 2021		As at March 31, 2020	
	No of shares	%	No of shares	%
Ultimate Holding / Holding company				
Edelweiss Rural & Corporate Services Limited, the holding company	**3,83,00,000**	**55.23%**	3,83,00,000	55.23%
Edelweiss Financial Services Limited, the ultimate holding company	**2,10,50,000**	**30.35%**	2,10,50,000	30.35%
Fellow subsidiaries				
Edel Finance Company Limited	**1,00,00,000**	**14.42%**	1,00,00,000	14.42%
	6,93,50,000	**100.00%**	6,93,50,000	100.00%

(d) **There are no shares reserved for issue under options and contracts / commitments for the sale of shares/ disinvestment.**

		As at March 31, 2021	As at March 31, 2020
27	**Other Equity**		
	Securities Premium	**4,075.18**	4,075.18
	Statutory Reserve	**547.80**	540.34
	Debenture Redemption Reserve	**341.32**	469.25
	Deemed capital contribution - Equity	**33.46**	33.46
	Retained Earnings	**1,936.62**	1,879.01
		6,934.38	6,997.24

Note: For movement in Other Equity, refer 'Statement of changes in Equity'

27.1 Nature and purpose of Reserves

(a) **Securities Premium**

Securities premium is used to record the premium on issue of shares. Balance in Securities premium can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

(b) **Reserve under section 29C of the National Housing Bank Act, 1987**

Reserve created under section 29C of National Housing Bank Act, 1987 a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

(c) **Debenture Redemption Reserve**

The Companies Act 2013 requires companies that issue debentures to create a debenture redemption reserve from annual profits until such debentures are redeemed. Company being NBFC has to maintain Debenture Redemption reserve upto 25% of the value of debentures issued through public issue. The amounts credited to the debenture redemption reserve may not be utilised except to redeem debentures. On redemption of debentures, the amount may be transferred from debenture redemption reserve to retained earnings. However, as per the amendment in the Companies Act 2013, debenture redemption reserve is not required for debentures issued by Non-Banking Finance Companies regulated by Reserve Bank of India for both public as well as privately placed debentures.

(d) **Deemed capital contribution - Equity**

This reserve relates to Share options granted to eligible employees of the Company by the parent company under its employee share option plan.

(e) **Retained Earnings**

Retained earnings comprises of the Company's undistributed earnings after taxes.

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		For the year ended March 31, 2021	For the year ended March 31, 2020
28	**Interest Income (at amortised cost)**		
	Interest on Loans	4,451.55	5,511.22
	Interest income from investments	38.92	-
	Interest on deposits with bank	170.18	54.40
	Other interest income	21.93	0.95
	Income on direct assignment	344.08	87.83
		5,026.66	5,654.40

29	**Fee and commission income**		
	Fee and commission income	341.46	357.15
		341.46	357.15

30	**Net gain on fair value changes (Realised)**		
	On trading portfolio		
	Gain on buy back of debt securities (amortised cost)	61.58	-
	Profit on sale of mutual fund units (FVTPL)	22.32	34.79
	Profit on sale of equity shares (FVTPL)	9.46	-
	Profit on sale of debt instruments (FVTPL)	23.89	4.88
		117.25	39.67

31	**Other income**		
	Other non operating income	23.37	22.68
		23.37	22.68

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(Currency : Indian rupees in millions)

	For the year ended March 31, 2021	For the year ended March 31, 2020
32 Finance costs (at amortised cost)		
Interest on borrowings	**2,475.41**	3,076.59
Interest on assignment liability (PCG scheme)	**270.35**	71.61
Interest on debt securities	**1,054.47**	941.25
Interest on subordinated liabilities	**56.25**	56.38
Other interest expense (including bank charges)	**21.47**	28.74
Interest on lease liabilities	**14.88**	18.78
	3,892.83	4,193.35

33 Impairment on financial instruments		
Loss on sale of loan assets sold to assets reconstruction company	**359.27**	317.47
Bad debts and advances written off	**62.97**	42.75
Provision for expected credit loss (at amortised cost) (including on loan commitments)	**89.16**	46.84
	511.40	407.06

	For the year ended March 31, 2021	For the year ended March 31, 2020
34 Employee benefit expenses		
Salaries and wages	**514.63**	626.43
Contribution to provident and other funds	**19.77**	29.39
Gratuity Expense (refer note 40)	**6.75**	3.94
Share based payments to employees (Refer note below)	**(0.90)**	9.61
Staff welfare expenses	**17.77**	21.34
	558.02	690.71

Note:
Edelweiss Financial Services Limited ("EFSL") the ultimate holding Company has granted an Employee stock option plan (ESOP)/ Stock Appreciation Rights (ESAR) option to acquire equity shares of EFSL that would vest in a graded manner to Company's employees. Based on group policy / arrangement, EFSL has charged the fair value of such stock options /rights , Company has accepted such cross charge and recognised the same under the employee cost.

(Currency : Indian rupees in millions)

		For the year ended March 31, 2021	For the year ended March 31, 2020
35	**Other expenses**		
	Advertisement and business promotion	**0.08**	5.90
	Commission and brokerage	**0.23**	0.40
	Communication	**6.10**	13.70
	Directors' sitting fees	**0.78**	0.80
	Legal and professional fees	**134.55**	80.78
	Printing and stationery	**4.40**	5.79
	Loan origination costs amortised	**125.22**	190.70
	Rent, rates and taxes	**63.30**	69.09
	Repairs and maintenance	**4.67**	6.95
	Electricity charges	**6.15**	9.32
	Computer expenses	**20.84**	19.21
	Corporate social responsibility (refer note 35.2)	**15.79**	21.94
	Rating support fees	**8.81**	7.13
	Office expenses	**79.02**	133.03
	Postage and courier	**1.94**	3.03
	Goods and Service tax expenses	**60.92**	88.39
	Stamp duty	**14.15**	0.32
	Auditors' remuneration (refer note 35.1)	**6.98**	5.63
	Travelling and conveyance	**6.87**	27.26
	Miscellaneous expenses	**11.81**	20.90
	Donation	**-**	10.00
		572.61	720.27
35.1	**Auditors' remuneration:**		
	As an Auditor		
	Statutory Audit	**2.50**	2.95
	Limited Review	**1.50**	1.05
	Certification	**2.88**	1.52
	Towards reimbursement of expenses	**0.10**	0.11
		6.98	5.63
35.2	**Details of CSR Expenditure:**		
	As per the provisions of Section 135 of Companies Act 2013,		
	Gross Amount required to be spent by the Company	**15.79**	21.94
	Amount Spent (paid in cash)		
	(i) Construction/ Acquisition of any assets	**-**	-
	(ii) on purpose other than (i) above	**15.79**	21.94
	Amount Spent (yet to be paid in cash)		
	Construction/ Acquisition of any assets	**-**	-
	on purpose other than (i) above	**-**	-
		15.79	21.94

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(Currency : Indian rupees in millions)

36 Income tax

36.1 The components of income tax expense:

	For the period ended March 31, 2021	For the year ended March 31, 2020
Current tax	**39.21**	99.23
Adjustment in respect of current income tax of prior years	**(90.46)**	(10.57)
Deferred tax relating to origination and reversal of temporary differences	**(66.76)**	(140.40)
MAT credit entitlement	-	19.82
Total tax charge	**(118.01)**	(31.92)
Current tax	**(51.25)**	88.66
Deferred tax	**(66.76)**	(120.58)

36.2 Reconciliation of total tax charge

	For the period ended March 31, 2021	For the year ended March 31, 2020
Accounting profit before tax as per financial statements	**(80.72)**	(16.37)
Tax rate (in percentage)	**25.17%**	25.17%
Income tax expense calculated based on this tax rate	**(20.32)**	(4.12)
Adjustment in respect of current income tax of prior years	**(90.46)**	(14.89)
Effect of income not subject to tax:		
Tax break of deduction u/s 36(1)(viii) of Income tax Act, 1961	**(0.76)**	(0.79)
Income on closure of leases	**(3.43)**	-
Adjustment on account of Valuation of Securities (ICDS)	**(0.79)**	-
Deduction u/s 35D of Income tax Act, 1961	**(0.08)**	(0.18)
Effect of non–deductible expenses:		
Penalties	-	-
Others	**(2.18)**	15.89
Impact of tax rate changes (between two accounting periods)	-	(27.83)
Tax charge for the year recorded in P&L	**(118.01)**	(31.92)
Effective tax rate	**146.20%**	194.99%

(Currency : Indian rupees in millions)

36 Income tax

36.3 Movement of Deferred Tax assets / (liabilities)

For the Year Ended March 31, 2021

	Deferred tax asset / (liability) (Opening)	In profit or loss	In OCI	Directly in equity	Total movement	Deferred tax asset / (liability) (Closing)
Deferred taxes in relation to:						
Deferred Tax Assets						
Provision for expected credit loss	100.55	36.29	-	-	36.29	136.84
Effective interest rate on financial assets	4.80	1.32	-	-	1.32	6.12
Retirement Benefits	6.08	12.67	0.74	-	13.41	19.49
Difference between book and tax WDV (including intangibles)	9.46	1.80	-	-	1.80	11.26
Lease liability	45.96	(15.37)	-	-	(15.37)	30.59
Others	0.07	32.33	-	-	32.33	32.40
Deferred Tax Liabilities						
Stage 3 Income recognition	(6.18)	4.31	-	-	4.31	(1.87)
Interest spread on assignment transactions	(83.13)	(24.74)	-	-	(24.74)	(107.87)
Effective interest rate on financial Liabilities	(17.36)	3.84	-	-	3.84	(13.52)
Special Reserve u/s 36(1) (viii)	-	(0.76)	-	(97.94)	(98.70)	(98.70)
Right-of-use Asset (ROU)	(39.00)	15.07	-	-	15.07	(23.92)
	21.25	**66.76**	**0.74**	**(97.94)**	**(30.44)**	**(9.18)**

For the Year Ended March 31, 2020

	Deferred tax asset / (liability) (Opening)	In profit or loss	In OCI	Directly in equity	Total movement	Deferred tax asset / (liability) (Closing)
Deferred taxes in relation to:						
Deferred Tax Assets						
Provision for expected credit loss	116.36	(15.81)	-	-	(15.81)	100.55
Effective interest rate on financial assets	(3.55)	8.35	-	-	8.35	4.80
Retirement Benefits	6.47	(0.75)	0.36		(0.39)	6.08
Difference between book and tax WDV (including intangibles)	8.83	0.63	-	-	0.63	9.46
Lease liability	-	(23.42)	-	69.38	45.96	45.96
Others	-	0.07	-	-	0.07	0.07
Deferred Tax Liabilities						
Stage 3 Income recognition	(25.91)	19.73	-	-	19.73	(6.18)
Interest spread on assignment transactions	(193.21)	110.08	-	-	110.08	(83.13)
Effective interest rate on financial Liabilities	(35.32)	17.96	-	-	17.96	(17.36)
MAT Credit Entitlement	19.82	(19.82)	-	-	(19.82)	-
Right-of-use Asset (ROU)	-	23.56	-	(62.56)	(39.00)	(39.00)
Total	(106.51)	120.58	0.36	6.82	127.76	21.25

Note:
The Government of India, on September 20, 2019, vide the Taxation Laws (Amendment) Ordinance 2019 (the Ordinance), inserted a new Section 115BAA in the Income tax Act, 1961, which provides an option to the Company for paying Income tax at reduced rates. Accordingly, the Company has recognised provision for income tax for the year ended March 31, 2020. The Company has also re-measured its deferred tax assets / liabilities (net) for the year ended March 31, 2020 on the basis of the rate prescribed in the aforesaid section resulting in tax charge reduction by Rs. 27.83 million.

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(Currency:Indian rupees in million)

37 Cash Flow Disclosure

Change in Liabilities arising from financing acitivies

Particulars	As at March 31, 2020	Cash Flows	Changes in Fair value	Others*	As at March 31, 2021
Debt Securities	10,091.57	1,793.02	-	(207.84)	11,676.75
Borrowings other than Debt Securities	27,992.02	(5,360.01)	-	(3.63)	22,628.38
Subordinated Liabilities	508.61	-	-	-	508.61
	38,592.20	**(3,566.99)**	**-**	**(211.47)**	**34,813.74**

Particulars	As at March 31, 2019	Cash Flows	Changes in Fair value	Others*	As at March 31, 2020
Debt Securities	12,582.50	(2,568.86)	-	77.93	10,091.57
Borrowings other than Debt Securities	31,634.95	(3,573.68)	-	(69.25)	27,992.02
Subordinated Liabilities	508.48	-	-	0.13	508.61
	44,725.93	(6,142.54)	-	8.81	38,592.20

*Other column includes the effect of accrued but not paid interest on borrowing, amortisation of processing fees etc.

(Currency : Indian rupees in millions)

38. Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

	For the year ended March 31, 2021	For the year ended March 31, 2020
Net Profit attributable to Equity holders of the Company - A	**37.29**	15.55
Weighted average Number of Shares		
- Number of equity shares outstanding at the beginning of the year	**69.35**	69.35
- Number of equity shares issued during the year	**-**	-
Total number of equity shares outstanding at the end of the year	**69.35**	69.35
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares) - B	**69.35**	69.35
Nominal value of euity shares	**10.00**	10.00
Basic and diluted earnings per share (in rupees) (A/B)	**0.54**	0.22

The basic and diluted earnings per share are the same as there are no dilutive potential equity shares issued or outstanding as at the year end.

39. Contingent Liability and Commitment:

(a) Contingent Liability

	As at March 31, 2021	As at March 31, 2020
Taxation matters	**Nil**	Nil
Litigation pending against the company	**Nil**	Nil

The Company's pending litigations mainly comprise of claims against the Company pertaining to proceedings pending with Income Tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in the financial statements. The Company believes that the outcome of these proceedings will not have a materially adverse effect on the Company's financial position and results of operations.

(b) Commitment:

	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account (net of advances)	**8.05**	7.63
Loan sanctioned pending disbursements	**1,281.26**	484.19

(Currency : Indian rupees in millions)

40 Retirement and other employee benefits

(a) Defined contribution plan - Provident funds

In accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952, employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which, both the employee and the Company contribute monthly at a determined rate. These contributions are made to a recognized provident fund administered by Regional Provident Fund Commissioner. The employees contribute 12% of their basic salary and the Company contributes an equal amount.

The Company recognised Rs. 25.04 millions (March 31, 2020 : Rs 32.76 Millions) for provident fund in the Statement of profit and loss.

(b) Defined benefit plan - Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a defined benefit plan covering all employees. The plan provides a lump sum payment to vested employees at retirement or termination of employment in accordance with the rules laid down in the Payment of Gratuity Act, 1972. The gratuity benefit is partially provided through funded plan and annual expense is charged to the statement of profit and loss on the basis of actuarial valuation.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation (DBO) for gratuity are carried out as at March 31, 2021. The present value of the defined benefit obligations and the related current service cost and past service cost, are measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	As at March 31, 2021	As at March 31, 2020
Present value of defined benefit obligations (A)	**32.51**	20.34
Fair Value of plan assets (B)	-	-
Present value of defined benefit obligations (A-B)	**32.51**	20.34
Net deficit (assets) are analysed as:		
Liabilities	**32.51**	20.34
Assets	-	-

Movement in net defined benefit (asset) liability:

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

		Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
		March 31, 2021	March 31, 2020	**March 31, 2021**	March 31, 2020	**March 31, 2021**	March 31, 2020
(i)	**Present value of defined benefit obligations (opening)**	**20.34**	14.97	-	-	**20.34**	14.97
	Current service cost	**5.24**	4.22	-	-	**5.24**	4.22
	Past service cost	-	-			-	-
	Interest cost	**1.50**	1.09	-	-	**1.50**	1.09
		27.08	20.28	-	-	**27.08**	20.28
(ii)	**Other comprehensive Income**						
	Remeasurement Actuarial loss (gain) arising from :						
	Experience	**0.36**	(0.36)	-	-	**0.36**	(0.36)
	Financial and demographic assumptions	**2.59**	1.80	-	-	**2.59**	1.80
	Expected return from plan assets	-	-	-	-	-	-
		2.95	1.44	-	-	**2.95**	1.44
(iii)	**Others**						
	Transfer In (Out)	**6.99**	1.19			**6.99**	1.19
	Contributions by Employer	-	-	-	-	-	-
	Benefits paid	**(4.51)**	(2.57)	-	-	**(4.51)**	(2.57)
		2.48	(1.38)	-	-	**2.48**	(1.38)
(iv)	**Closing Balance (i) + (ii) + (iii)**	**32.51**	20.34	-	-	**32.51**	20.34
	Represented by:						
	Net defined benefit asset					-	-
	Net defined benefit liability					**32.51**	20.34

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(Currency : Indian rupees in millions)

40 Retirement and other employee benefits

Components of defined benefit plan cost:

		For the year ended March 31, 2021	For the year ended March 31, 2020
(i)	**Recognised in Statement of profit or loss**		
	Current service cost	5.24	4.22
	Interest cost	1.50	1.09
	Expected return on plan assets	-	-
	Past service cost	-	-
		6.74	5.31
(ii)	**Recognised in other comprehensive income**		
	Remeasurement of net defined benefit liability (asset)	2.95	1.44
	Return on plan assets excluding net interest	-	-
		2.95	1.44
	Total (i) + (ii)	9.69	6.75

Actuarial assumptions:
The following were the principal actuarial assumptions at the reporting date:

	As at March 31, 2021	As at March 31, 2020
Discount Rate	5.00%	5.50%
Salary Growth Rate	7.00%	7.00%
Withdrawal Attition Rate (based on categories)	25.00%	13% to 50%
Expected return on plan Assets (p.a)	5.50%	6.70%
Mortality Rate	IALM 2012-14(Ultimate)	IALM 2012-14(Ultimate)
Expected weighted average remainin working lives of employees	3 Years	3 Years

Sensitivity analysis:

	As at March 31, 2021		As at March 31, 2020	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (+ - 1%)	1.31	(1.23)	0.78	(0.74)
Discount Rate (+ - 1%)	(1.24)	1.34	(0.74)	0.80
Withdrawl Rate (+ - 1%)	(0.10)	0.11	(0.05)	0.05
Mortality (increase in expected lifetime by 1 year)	2		1	
Mortality (increase in expected lifetime by 3 year)	5		3	

The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous period to the methods and assumptions underlying the sensitivity analysis.

Asset liability comparisons:	As at March 31, 2021	As at March 31, 2020
Present value of DBO	32.51	20.34
Fair Value of Plan assets	-	-
Net (Assets) Liabilitiy	32.51	20.34

(c) Compensated absences :
The Company provides for accumulated compensated absences as at the balance sheet date using projected unit credit method based on actuarial valuation. The leave encashment on separation is paid on basic salary.

(Currency : Indian rupees in millions)

41. Maturity Analysis of assets and liabilities

Particulars	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Assets						
Cash and cash equivalents	9,455.81	-	9,455.81	4,929.16	-	4,929.16
Bank balances other than cash and cash equivalents	817.99	17.31	835.30	701.49	37.83	739.32
Securities held for trading	155.83	-	155.83	-	-	-
Trade receivables	104.02	-	104.02	58.46	-	58.46
Loans	7,963.09	27,995.50	35,958.59	8,521.10	34,679.52	43,200.62
Investments	-	1,600.86	1,600.86	-	1,044.73	1,044.73
Other financial assets	520.91	395.84	916.75	-	244.92	244.92
Non-financial assets						
Current tax assets (net)	-	21.86	21.86	-	7.38	7.38
Deferred tax assets (net)	-	-	-	-	21.25	21.25
Property, plant and equipment	-	118.28	118.28	-	203.83	203.83
Intangible assets under development	-	7.10	7.10	-	1.45	1.45
Other intangible assets	-	2.27	2.27	-	3.46	3.46
Other non- financial assets	134.33	-	134.33	53.68	-	53.68
Total Assets	**19,151.98**	**30,159.02**	**49,311.00**	14,263.89	36,244.37	50,508.26
Financial Liabilities						
Trade payables	72.28	-	72.28	85.37	-	85.37
Debt securities	4,217.33	7,459.42	11,676.75	1,250.11	8,841.46	10,091.57
Borrowings (other than debt securities)	9,088.06	13,540.32	22,628.38	8,699.66	19,292.36	27,992.02
Subordinated liabilities	8.61	500.00	508.61	8.61	500.00	508.61
Other financial liabilities	2,160.97	4,212.17	6,373.14	1,058.77	2,890.03	3,948.80
Non-financial liabilities						-
Current tax liabilities (net)	16.90	-	16.90	106.03	-	106.03
Provisions	37.62	-	37.62	25.34	-	25.34
Deferred tax liabilities (net)	-	9.18	9.18	-	-	-
Other non-financial liabilities	360.26	-	360.26	59.78	-	59.78
Total Liabilities	**15,962.02**	**25,721.10**	**41,683.12**	11,293.67	31,523.85	42,817.52
Net	**3,189.96**	**4,437.92**	**7,627.88**	2,970.22	4,720.52	7,690.74

(Currency : Indian rupees in millions)

42 Segment Information

The Company is operating under single business segment i.e. to provide loans for purchase or construction of residential houses, loan against properties and loans to real estate developers. Accordingly, there is no separate reportable segment and hence no disclosure is made under Ind AS 108 - 'Operating Segment Reporting'. Further, segmentation based on geography has not been presented as the Company operates only in India.

43 Related Party Disclosuress

i. List of related parties and relationship:

Name of related parties by whom control is exercised :

Holding Company	Edelweiss Rural & Corporate Services Limited
Ultimate Holding Company	Edelweiss Financial Services Limited
Fellow Subsidiaries (with whom transactions have taken place)	Edelweiss Asset Reconstruction Company Limited Edelweiss Tokio Life Insurance Company Limited Edelweiss Gallagher Insurance Brokers Limited Edelweiss Alternative Asset Advisors Limited Edelweiss General Insurance Company Limited Edelweiss Insurance Brokers Limited Edelweiss Asset Management Limited Edelweiss Retail Finance Limited Edel Finance Company Limited Edelweiss Comtrade Limited Edelcap Securities Limited Ecap Equities Limited ECL Finance Limited EdelGive Foundation Edel Land Limited Edelweiss Finance & Investments Limited (Up to March 26, 2021) Edelweiss Investment Advisors Limited (Up to March 26, 2021) Edelweiss Custodial Services Limited (Up to March 26, 2021) Edelweiss Securities Limited (Up to March 26, 2021) Edelweiss Broking Limited (Up to March 26, 2021)
Fellow Associates (From March 26, 2021)	Edelweiss Finance & Investments Limited Edelweiss Investment Advisors Limited Edelweiss Custodial Services Limited Edelweiss Securities Limited Edelweiss Broking Limited
Independent Director	Mr. P N. Venkatachalam Mr. Vaidyanathan P (upto Feb 3, 2020) Mrs. Vijayalakshmi Rajaram Iyer (upto Feb 11, 2019) Mr. Sunil Phatarphekar (From April 13, 2020) Mr. Biswamohan Mahapatra (From October 29, 2020)
Key Management Personnel (with whom transactions have taken place)	Mr. Rajat Avasthi (Managing Director & CEO) (From September 3, 2020) Mr. Krishnaswamy Siddharth (Executive Director & CRO effective October 1, 2019) Mr. Manish Dhanuka (Chief Financial Officer) (From July 3, 2020) Mr. Manjeet Bijlani (Chief Financial Officer upto April 14, 2020) Mr. Sagar Tawre (Company Secretary upto Jul 12, 2019) Ms. Riddhi Parekh (Company Secretary)

ii. Transactions with related parties :

Nature of Transaction	Related Party Name	For the year ended March 31, 2021	For the year ended March 31, 2020
Capital Account Transactions:			
Short term loans taken from	*Maximum transaction during the year*		
	Edelweiss Rural & Corporate Services Limited	-	1,806.24
	Edelweiss Retail Finance Limited	-	2,000.00
	ECL Finance Limited	**250.00**	-
	Volume of transactions during the year		
	Edelweiss Rural & Corporate Services Limited	-	15,496.72
	Edelweiss Retail Finance Limited	-	5,748.00
	ECL Finance Limited	**250.00**	-
Short term loans repaid to	*Maximum transaction during the year*		
	Edelweiss Rural & Corporate Services Limited	-	1,550.00
	Edelweiss Retail Finance Limited	**13.00**	1,190.00
	ECL Finance Limited	**250.00**	-
	Volume of transactions during the year		
	Edelweiss Rural & Corporate Services Limited	-	15,497.26
	Edelweiss Retail Finance Limited	**13.00**	5,735.00
	ECL Finance Limited	**250.00**	-

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Edelweiss Housing Finance Limited

(Currency : Indian rupees in millions)

43 Related Party Disclosuress

Nature of Transaction	Related Party Name	For the year ended March 31, 2021	For the year ended March 31, 2020
Short term loans given to	*Maximum transaction during the year*		
	ECL Finance Limited	1,500.00	2,500.00
	Edelweiss Rural & Corporate Services Limited	800.00	-
	Edelweiss Retail Finance Limited	4,000.00	-
	Volume of transactions during the year		
	ECL Finance Limited	6,010.00	7,890.00
	Edelweiss Rural & Corporate Services Limited	800.00	-
	Edelweiss Retail Finance Limited	20,830.00	-
Short term loans repaid by	*Maximum transaction during the year*		
	ECL Finance Limited	2,000.00	2,000.00
	Edelweiss Retail Finance Limited	4,000.00	-
	Edelweiss Rural & Corporate Services Limited	800.00	-
	Volume of transactions during the year		
	ECL Finance Limited	5,020.00	7,880.00
	Edelweiss Retail Finance Limited	20,830.00	-
	Edelweiss Rural & Corporate Services Limited	800.00	-
Loan porfolio purchase under direct assignment	ECL Finance Limited	1,937.86	-
	Edelweiss Retail Finance Limited	1,769.67	-
Security deposit placed with	ECap Equities Limited	-	80.00
	Edelweiss Rural & Corporate Services Limited	-	100.00
Loan sold to ARC trust	Edelweiss Asset Reconstruction Company Limited	26.80	1,325.00
Investment in Security Receipt issued by	Edelweiss Asset Reconstruction Company Limited		
	EARC Trust SC 378	22.78	-
	EARC Trust SC 401	-	981.75
	EARC Trust SC 374	-	62.98
Purchase of bonds from	ECL Finance Limited	83.64	-
Sale of bonds to	ECL Finance Limited	2,144.87	-
Redemption of bonds held in	Edelweiss Retail Finance Limited	250.00	-
Current Account Transactions:			
Interest Expenses on loan from	Edelweiss Rural & Corporate Services Limited	-	53.82
	Edelweiss Retail Finance Limited	0.28	112.07
	ECL Finance Limited	0.50	-
Interest Income on loan to	ECL Finance Limited	8.39	14.25
	Edelweiss Retail Finance Limited	32.91	-
	Edelweiss Rural & Corporate Services Limited	17.21	-
Interest Income on security deposit to	ECap Equities Limited	9.68	0.32
	Edelweiss Rural & Corporate Services Limited	12.10	0.40
Interest Expenses on Non convertible Debentures	Edelweiss Rural & Corporate Services Limited	-	0.08
	Edelweiss Finance & Investments Limited	0.02	0.02
	ECL Finance Limited	3.66	0.21
	Edelweiss Retail Finance Limited	0.24	-
Interest Income on non convertible debentures	ECL Finance Limited	18.50	-
	Edelweiss Rural & Corporate Services Limited	9.56	-
	Edelweiss Retail Finance Limited	10.85	-
Cost reimbursement paid to	Edelweiss Financial Services Limited	9.12	21.16
	Edelweiss Rural & Corporate Services Limited	10.00	13.34
	Ecap Equities Limited	0.44	0.11
	Edelweiss Securities Limited	0.66	1.00
	Edel Land Limited	3.03	-
	ECL Finance Limited	0.09	-
	Edelweiss Investment Advisors Limited	-	0.94
ESOP cost reimbursement	Edelweiss Financial Services Limited	1.84	14.59
Cost reimbursement received from	ECL Finance Limited	-	4.48
	Edelweiss Broking Limited	0.17	0.03
Service fee received from	Edelweiss Retail Finance Limited	0.02	0.03
	ECL Finance Limited	0.11	0.16
Service charges paid	Edelweiss Retail Finance Limited	0.66	-
	ECL Finance Limited	0.95	-

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(Currency : Indian rupees in millions)

43 Related Party Disclosuress

Nature of Transaction	Related Party Name	For the year ended March 31, 2021	For the year ended March 31, 2020
Shared premises cost paid to	ECL Finance Limited	7.42	11.20
	Edelweiss Retail Finance Limited	23.97	20.01
	Ecap Equities Limited	17.14	17.55
	Edelweiss Broking Limited	-	1.33
	Edelweiss Securities Limited	0.01	0.07
	Edelweiss Rural & Corporate Services Limited	14.15	11.76
	Edelweiss Asset Management Limited	0.00	0.03
	Edelweiss Comtrade Limited	-	0.10
Shared premises cost received from	Edelweiss Insurance Brokers Limited	0.03	-
	Edelweiss Custodial Services Limited	0.18	0.14
	Edelweiss Broking Limited	0.05	-
	Edelweiss General Insurance Company Limited	1.26	0.08
Corporate Guarantee support fee paid to	Edel Land Limited	0.01	-
Rating support fees paid to	Edelweiss Financial Services Limited	0.07	0.25
	Edelweiss Rural & Corporate Services Limited	0.15	-
Risk and reward sharing fee expense	Edelweiss Rural & Corporate Services Limited	3.50	0.11
	Edelweiss Financial Services Limited	1.17	-
ARC Management Fee received from	Edelweiss Financial Services Limited	12.06	-
Professional fees paid to	Edelweiss Rural & Corporate Services Limited	0.30	-
	Edelweiss Financial Services Limited	0.06	-
Management Fees paid to	Edelweiss Asset Reconstruction Company Limited	55.69	3.02
Management Fees received from	Edelweiss Financial Services Limited	8.05	-
Commission and brokerage paid to	Edelweiss Investment Advisors Limited	-	0.71
Enterprise service charge paid to	Edelweiss Rural & Corporate Services Limited	-	55.80
	Edelweiss Financial Services Limited	-	8.36
Corporate Cost	Edelweiss Rural & Corporate Services Limited	44.42	14.40
	Edelweiss Financial Services Limited	15.01	17.78
Director Sitting fees	Mr. P N. Venkatachalam	0.40	0.48
	Mr. Vaidyanathan P	-	0.32
	Sunil Phatarphekar	0.28	-
	Biswamohan Mahapatra	0.10	-
Remuneration to	Mr. Rajat Avasthi	9.93	20.94
	Mr. Krishnaswamy Siddharth	2.34	5.79
	Mr. Manjeet Bijlani	0.73	7.22
	Mr. Sagar Tawre	-	0.31
	Ms. Riddhi Parekh	2.05	0.52
	Mr. Manish Dhanuka	4.49	-
Sale of Property, plant and equipment	ECL Finance Limited	0.03	0.73
	Edelweiss Finance & Investments Limited	0.03	-
	Edelweiss Alternative Asset Advisors Limited	-	0.04
	Edelweiss Asset Reconstruction Company Limited	-	0.02
	Edelweiss Broking Limited	0.16	0.17
	Edel Land Limited	0.02	-
	Edelweiss Financial Services Limited	0.01	0.00
	Edelweiss Insurance Brokers Limited	-	0.02
	Edelweiss Investment Advisors Limited	-	0.01
	Edelweiss Rural & Corporate Services Limited	0.07	1.24
	Edelweiss Securities Limited	0.03	0.09

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43 Related Party Disclosuress

Nature of Transaction	Related Party Name	As at March 31, 2021	As at March 31, 2020
Purchase of Property, plant and equipment	Edelweiss Securities Limited	0.00	0.03
	ECL Finance Limited	0.01	0.25
	Edelweiss Gallagher Insurance Brokers Limited	0.02	-
	Edelweiss Alternative Asset Advisors Limited	-	0.03
	Edelweiss Broking Limited	0.07	0.28
	Edelweiss Financial Services Limited	-	0.02
	Edelweiss Investment Advisors Limited	-	0.02
	Edelweiss Retail Finance Limited	0.01	0.05
	Edelweiss Rural & Corporate Services Limited	0.03	0.07
Advisory fees earned from	ECL Finance Limited	33.93	74.53
	Edelweiss Retail Finance Limited	9.00	-
CSR expenses paid to	EdelGive Foundation	15.79	21.94
Amount paid to broker for Cash segment	Edelweiss Securities Limited	193.15	-
Amount received from broker for Cash segment	Edelweiss Securities Limited	249.41	-
Balances with related party			
Non convertible debentures held by (Face value)	ECL Finance Limited	158.38	24.57
	Edelweiss Finance & Investments Limited	0.16	0.16
	Edelweiss Retail Finance Limited	7.60	-
Non convertible debentures held in (Face value)	Edelweiss Rural & Corporate Services Limited	72.00	-
Short term borrowings from	Edelweiss Retail Finance Limited	-	13.00
Interest Payable on Short term borrowings to	Edelweiss Retail Finance Limited	-	0.11
Short term loan given to	ECL Finance Limited	1,000.00	10.00
Interest Receivable on Short term borrowings from	ECL Finance Limited	1.57	11.90
	Edelweiss Retail Finance Limited	8.14	-
	Edelweiss Rural & Corporate Services Limited	3.43	-
Security deposit given including accrued interest	ECap Equities Limited	80.91	80.32
	Edelweiss Rural & Corporate Services Limited	101.14	100.40
Interest accrued but not due on Non convertible debentures held by	Edelweiss Finance & Investments Limited	0.01	0.01
	Edelweiss Retail Finance Limited	0.52	-
	ECL Finance Limited	11.29	1.72
Trade Payables to	Edelweiss Financial Services Limited	1.48	8.61
	Edelweiss Asset Reconstruction Company Limited	-	0.28
	ECL Finance Limited	4.60	4.35
	Ecap Equities Limited	1.62	1.46
	Edelweiss Securities Limited	0.01	0.06
	Edelweiss Retail Finance Limited	1.87	2.15
	Edelweiss Alternative Asset Advisors Limited	0.90	-
	Edelweiss Broking Limited	-	0.01
	Edelweiss Rural & Corporate Services Limited	8.44	11.89
	Edelweiss Asset Management Limited	0.00	0.00
	Edel Land Limited	0.01	-
Other Payable to	Edelweiss Financial Services Limited	-	14.59
	Edelweiss Rural & Corporate Services Limited	-	0.04
Margin receivable from	Edelweiss Securities Limited	6.00	-

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(Currency : Indian rupees in millions)

43 **Related Party Disclosuress**

Nature of Transaction	Related Party Name	As at March 31, 2021	As at March 31, 2020
Trade Receivables from	ECL Finance Limited	13.56	9.74
	Edelweiss Financial Services Limited	13.33	0.01
	Edelweiss Retail Finance Limited	0.61	0.16
	Edelweiss Broking Limited	0.02	-
	Edelweiss Securities Limited	-	0.05
	Edelweiss Custodial Services Limited	0.02	0.01
	Edelweiss General Insurance Company Limited	0.15	0.08
	Edelweiss Comtrade Limited	0.02	0.02
	Edelweiss Rural & Corporate Services Limited	2.09	0.10
	Edelcap Securities Limited	-	0.00
	Edelweiss Finance & Investments Limited	0.02	0.89
	Edel Finance Company Limited	-	0.01
	Edelweiss Tokio Life Insurance Company Limited	0.00	0.04
Other Receivable from	Edelweiss Finance & Investments Limited	-	0.45
	ECL Finance Limited	-	4.57
	Edelweiss Financial Services Limited	0.90	-
Investment in Security Receipts issued by	Edelweiss Asset Reconstruction Company Limited		
	EARC Trust SC 401	931.62	981.75
	EARC Trust SC 374	57.84	62.98
	EARC Trust SC 378	20.66	-
Non-fund Based			
Corporate Guarantee taken from	Edelweiss Financial Services Limited	1,890.58	2,384.83
	Edelweiss Rural & Corporate Services Limited	1,890.58	2,384.83
	Edel Land Limited	300.82	-
Risk and Rewards Guarantee taken from	Edelweiss Rural & Corporate Services Limited	-	924.59
	Edelweiss Financial Services Limited	1,446.13	

Notes:

1 As part of fund based activities, intergroup company loans and advances activities undertaken are generally in the nature of revolving demand loans. Such loans and advances, voluminous in nature, are carried on at arm's length and in the ordinary course of business. Pursuant to Ind AS 24 – Related Party Disclosures, maximum amount of loans given and repaid alongwith the transaction volume are disclosed above. Interest income and expenses on such loans and advances are disclosed on the basis of full amounts of such loans and advances given and repaid.

2 Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity, leave encashment, bonus and deferred bonus which are provided for group of employees on an overall basis. These are included on cash basis. The variable compensation included herein is on cash basis.

3 The above list contain name of only those related parties with whom the Company has undertaken transactions for the year ended March 31, 2021 and March 31, 2020.

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Edelweiss Housing Finance Limited

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44 Leases

44.1. Transition to Ind AS 116 on Lease

44.1. Set out below are the carrying amounts of right-of-use assets recognised and the movements	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Balance as at April 1	154.96	179.04
Addition	19.56	17.41
Lease pre-closure	(43.50)	-
Amortisation for the year	(35.93)	(41.49)
Balance as at March 31	**95.09**	**154.96**

44.2. Set out below are the carrying amounts of lease liabilities and the movements

Balance as at April 1	182.61	198.53
Additions/ reversal (net)	19.56	17.41
Interest on lease liabilities	14.88	18.78
Lease pre-closure	(57.13)	-
Repayment of lease obligation	(38.38)	(52.11)
Balance as at March 31	**121.54**	**182.61**

44.3. Amounts recognised in profit or loss:

Amortization of right-of-use assets	35.93	41.49
Interest expense on lease liabilities	14.88	18.78
Reversal of lease pre-closure	(13.63)	-
Total	**37.18**	**60.27**

44.4. Total Cash outflow for leases:

Cash outflow of long term leases	38.38	52.11
Cash outflow of short term leases	0.33	1.30
Total	**38.71**	**53.41**

44.5. Details regarding the contractual maturities of lease liabilities, on an undiscounted basis:	**As at March 31, 2021**	**As at March 31, 2020**
Less than 1 year	36.30	50.70
1-3 years	50.05	79.47
3-5 years	40.92	40.23
More than 5 years	22.83	29.49
Total	**150.10**	**199.89**

45 *Cost sharing*

Edelweiss Financial Services Limited, being the ultimate holding Company along with fellow subsidiaries incurs expenditure like, Group mediclaim, insurance, rent, electricity charges etc. which is for the common benefit of itself and its certain subsidiaries, fellow subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, time spent by employees of other Companies, actual identifications etc. On the same lines, employees' costs expended (if any) by the Company for the benefit of fellow subsidiaries is recovered by the Company. Accordingly, and as identified by the management, the expenditure heads in note 34 and 35 include reimbursements paid and are net of reimbursements received based on the management's best estimates are Rs. 84.35 million (previous year Rs. 93.86 million)

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46. Risk Management

(a) Introduction and risk profile

Risk is an inherent part of Company's business activities. When the Company extends a corporate or retail loan, buy or sell securities in market, or offers other products or services, the Company takes on some degree of risk. The Company's overall objective is to manage its businesses, and the associated risks, in a manner that balances serving the interests of its customers and investors and protects the safety and soundness of the Company.

The Company believes that effective risk management requires:

1) Acceptance of responsibility, including identification and escalation of risk issues, by all individuals within the Company;
2) Ownership of risk identification, assessment, data and management within each of the lines of business and Corporate; and
3) Firmwide structures for risk governance

The Company strives for continual improvement through efforts to enhance controls, ongoing employee training and development and other measures.

(b) Risk Management Structure

The Company have a well-defined risk management policy framework for risk identification, assessment and control to effectively manage risks associated with the various business activities. The risk function is monitored primarily by the business risk group. The Company has also established a Risk Committee that is responsible for managing the risk arising out of various business activities.

Company's risk management policy ensures that the margin requirements are conservative to be able to withstand market volatility and scenarios of sharply declining prices. As a result, Company follows conservative lending norms. The Company centralises the risk monitoring systems to monitor it's client's credit exposure which is in addition to the monitoring undertaken by the respective businesses.

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee holds regular meetings and report to board on its activities.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(c) Risk mitigation and risk culture

The Company's business processes ensure complete independence of functions and a segregation of responsibilities. Credit appraisal & credit control processes, centralised operations unit, independent audit unit for checking compliance with the prescribed policies and approving loans at transaction level as well as our risk management processes and policies allow layers of multiple checks and verifications. Company's key business processes are regularly monitored by the business and/or operation heads. Company's loan approval and administration procedures, collection and enforcement procedures are designed to minimise delinquencies and maximise recoveries.

At all levels of operations, specifically tailored risk reports are prepared and distributed in order to ensure that all business divisions have access to extensive, necessary and up–to–date information.

It is the Company's policy that a monthly briefing is given to the Board of Directors and all other relevant stakeholder on the utilisation of market limits, proprietary investments and liquidity, plus any other risk developments.

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to, that they decide to take on. The Company's continuous training and development emphasises that employees are made aware of the Company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within it's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

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Edelweiss Housing Finance Limited

46. Risk Management

(d) Types of Risks

The Company's risks are generally categorized in the following risk types:

Risk	Exposure Arising from	Measurement	Management of risk
Credit Risk	Cash equivalents, trade receivables, financial assets measured at amortised cost.	Aging Analysis, Credit Ratings	Credit limits and regular monitoring.
Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of surplus cash, committed credit lines and borrowing facilities
Market Risk	Investments in Governent Securiteis, Treasury Bills, Equity Shares, Futures & Options	Cash flow forecasting Sensitivity analysis	Regular monitoring to keep the exposure at an acceptable level, with option of taking Interest Rate Swaps/Futures if deemed necessary.

46.1. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's loans and trade receivables.The Company has a policy of dealing with creditworthy counterparties and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. In case the loans are to be restructured, similar credit assessment process is followed by the Company.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties Groups (Single Borrowing Limit Group Borrowing Limit) and for industry concentrations, and by monitoring exposures in relation to such limits.

Credit quality of a customer is assessed based on its credit worthiness and historical dealings with the Company and market intelligence. Outstanding customer receivables are regularly monitored.The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

(a) Impairment Assessment:

The Company applies the expected credit loss model for recognising impairment loss. The expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The expected credit loss is a product of exposure at default, probability of default and loss given default. The Company has devised an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS. Accordingly, the loans are classified into various stages as follows:

Internal rating grade	Internal grading description	Stages
Performing		
High grade	0 dpd and 1 to 30 dpd	Stage I
Standard grade	31 to 90 dpd	Stage II
Non-performing		
Individually impaired	90+ dpd	Stage III

(b) Expected Credit Loss

Credit loss is the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Expected Credit Loss (ECL) computation is not driven by any single methodology, however methodology and approach used must reflect the following:

- An unbiased and probability weighted amount that evaluates a range of possible outcomes

- Reasonable and supportable information that is available without undue cost and effort at the reporting date about past events, current conditions and forecasts of future economic conditions:

- Time value of money

While the time value of money element is currently being factored into ECL measurement while discounting cash flows by the Effective Interest Rate (EIR), the objective of developing a macroeconomic model using exogenous macroeconomic variables (MEVs) is to address the first two requirements. This has been achieved by using the model output to adjust the PD risk component in order to make it forward looking and probability-weighted.

(c) Significant increase in credit risk (SICR)

Company considers a financial instrument defaulted, classified as Stage 3 (credit-impaired) for ECL calculations, in all cases when the borrower becomes 90 days past due. Classification of assets form stage 1 to stage 2 has been carried out based on SICR criterion. Accounts which are more than 30 days past due have been identified as accounts where significant increase in credit risk has been observed. These accounts have been classified as Stage 2 assets. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

46.1. Credit Risk

(d) **Probability of Default**

Probability of default (PD) is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the Company. While arriving at the PD, the Company also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. Company calculates the 12 month PD by taking into account the past historical trends of the Loans portfolio and its credit performance. In case of assets where there is a significant increase in credit risk / credit impaired assets, lifetime PD has been applied.

(e) **Loss Given Default (LGD)**

The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money. The Loss Given Default (LGD) has been computed with workout methodology. Along with actual recoveries, value of the underlying collateral has been factored in to estimate future recoveries in LGD computation. Workout LGD computation involves the actual recoveries as well as future recoveries (as a part of the workout process) on a particular facility, as a percentage of balance outstanding at the time of Default/Restructuring. The assessment of workout LGD was then performed. Principal outstanding each loan was assessed, which went into the denominator of the LGD calculation. LGD computation has been done for each segment and sub-segment separately.

(f) **Exposure at Default (EAD)**

The amount which the borrower will owe to the portfolio at the time of default is defined as Exposure at Default (EAD). While the drawn credit line reflects the explicit exposure for the Company, there might be variable exposure that may increase the EAD. These exposures are of the nature where the Company provides future commitments, in addition to the current credit. Therefore, the exposure will contain both on and off balance sheet values. The value of exposure is given by the following formula:

EAD = Drawn Credit Line + Credit Conversion Factor * Undrawn Credit Line

Where,

Drawn Credit Line = Current outstanding amount

Credit Conversion Factor (CCF) = Expected future drawdown as a proportion of undrawn amount

Undrawn Credit Line = Difference between the total amount which the Company has committed and the drawn credit line While the drawn exposure and limits for the customer are available, the modelling of CCF is required for computing the EAD

(g) **Forward looking adjustments**

"A measure of ECL is an unbiased probability-weighted amount that is determined by evaluating a range of possible outcomes and using reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions."

To fulfil the above requirement Company has incorporated forward looking information into its measurement of ECL. The objective of developing a macroeconomic model using exogenous macroeconomic variables (MEVs) is to address the requirements of unbiased, probability weighted outcomes while taking into account current conditions as well as future economic conditions. This will be achieved by using the model output to adjust the PD risk component in order to make it forward looking and probability-weighted.

Exogenous macroeconomic parameters were used as independent (X) variables to predict the dependent (Y) variable. The Company formulates base case view of the future direction of relevant economic variable as well as a representative range of other possible forecast scenario. This involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome.

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46.1. Credit Risk

(h) Data sourcing

The Company is expected to obtain reasonable and supportable information that is available without undue cost or effort. Keeping in mind the above requirement macroeconomic information was aggregated from various research database like Economic Intelligence Unit (EIU), Bloomberg, World Bank, RBI database etc. The EIU data has a database of around 150 macroeconomic variables as well as their forecasted values. Beyond 2022 macro-economic variables are forecasted by mean reverting the values to their long term average. External information includes economic data and forecasts published by governmental bodies and monetary authorities in the country, supranational organisations such as the OECD and the IMF, and selected private sector and academic forecasters.

(i) Probability weighted scenario creations:

To incorporate macroeconomic impact into probability-weighted, each scenario has an associated probability. In order to ensure consistency across macroeconomic models, these probabilities were calculated at an overall level for both Retail and Non-Retail portfolios, considering the impact of a scenario across different portfolios may differ based on endogenous factors, the probability of a scenario unfolding is purely exogenous, and hence should not vary.

The Company has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and using an analysis of historical data, has estimated relationship between marco-economic variables and credit risk and credit losses.

Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assess have been developed based on analysing historical data over the past years.

(j) Impact of COVID-19

The COVID-19 pandemic outbreak across the world including India has resulted in most countries announcing lockdowns and quarantine measures that have sharply stalled economic activities across the world. The Indian Government too has imposed lockdowns starting from March 24, 2020. Subsequently, the national lockdown was lifted by the government for certain activities in a phased manner outside specified containment zones, but regional lockdowns restrictions continued to be implemented in areas with a significant number of COVID-19 cases. The Indian economy is impacted and would continue to be impacted by this pandemic and the resultant lockdown, due to the contraction in industrial and services output across small and large businesses. The impact of the COVID -19 pandemic , including the current "second wave" on Company's results, including credit quality and provisions, gain/loss on fair value changes, investment, remains uncertain and dependent on the current and further spread of COVID -19, steps taken by the government, RBI and other regulators to mitigate the economic impact and also the time it takes for economic activities to resume and reach the normal levels. Further, the Company has assessed the impact of the COVID-19 pandemic on its liquidity and ability to repay its obligations as and when they are due. Management has considered various financial support from banks and other fundraising opportunities in determining the Company liquidity position over the next 12 months. Based on the foregoing and necessary stress tests considering various scenarios, management believes that the Company will be able to pay its obligations as and when these become due in the foreseeable future. In assessing the recoverability of loans, receivables, deferred tax assets and investments, the Company has considered internal and external sources of information, including credit reports, economic forecasts and industry reports up to the date of approval of these financial results. Since the situation continue to evolve, its effect on the operations of the Company may be different from that estimated as at the date of approval of these financial results. The Company will continue to closely monitor material changes in markets and future economic conditions.

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(Currency : Indian rupees in millions)

46.1.1. Risk concentration

The following table shows the risk concentration by industry for the components of the balance sheet. Additional disclosures for credit quality and the maximum exposure for credit risk per categories based on the Company's internal credit assessment system and year-end stage classification are further disclosed in Note 10.

Industry analysis

As at March 31, 2021	Financial services	Retail - Housing	Retail - Non Housing	Construction	Total
Financial assets					
Cash and cash equivalent and other bank balances	10,291.11	-	-	-	10,291.11
Securities held for trading	155.83	-	-	-	155.83
Trade receivables	104.02	-	-	-	104.02
Loans	1,516.31	20,474.41	12,779.91	1,187.96	35,958.59
Investments	1,600.86	-	-	-	1,600.86
Other financial assets	916.75	-	-	-	916.75
	14,584.88	20,474.41	12,779.91	1,187.96	49,027.16
Loan Commitments	-	1,216.08	65.18	-	1,281.26
Total	14,584.88	21,690.49	12,845.09	1,187.96	50,308.42

As at March 31, 2020	Financial services	Retail - Housing	Retail - Non Housing	Construction	Total
Financial assets					
Cash and cash equivalent and other bank balances	5,668.48	-	-	-	5,668.48
Trade receivables	58.46	-	-	-	58.46
Loans	21.90	25,931.54	16,265.16	982.02	43,200.62
Investments	1,044.73	-	-	-	1,044.73
Other financial assets	244.92	-	-	-	244.92
	7,038.49	25,931.54	16,265.16	982.02	50,217.21
Loan Commitments	-	367.95	81.25	35.00	484.19
Total	7,038.49	26,299.49	16,346.41	1,017.02	50,701.40

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46.1.2. Collateral held and other credit enhancements

(a) The tables on the following pages show the maximum exposure to credit risk by class of financial asset along with details of principal type of collateral:

	Maximum exposure to credit risk (carrying amount before ECL) As at March 31, 2021	As at March 31, 2020	Principal type of collateral
Financial assets			
Loans (at amortised cost):			
Retail Loans	**34,718.61**	42,871.99	Property; book receivables
Wholesale Loan	**218.48**	709.00	Property; book receivables
Total (A)	**34,937.08**	43,580.99	
Loan commitments	**1,281.26**	484.19	Property; book receivables
Total (B)	**1,281.26**	484.19	
Total (A + B)	**36,218.34**	44,065.18	

(b) **Financial assets that are stage 3 and related collateral held in order to mitigate potential losses are given below:**

As at March 31, 2021

	Maximum exposure to credit risk (carrying amount before ECL)	Associated ECL	Carrying amount	Fair value of collateral
Financial assets				
Retail Loan	**1,275.82**	**129.86**	**1,145.96**	**1,850.70**
Wholesale Loan	-	-	-	-
Total (A)	**1,275.82**	**129.86**	**1,145.96**	**1,850.70**
Loan commitments (Retail)	**13.98**	**1.40**	**12.58**	**20.28**
Total (B)	**13.98**	**1.40**	**12.58**	**20.28**
Total (A + B)	**1,289.80**	**131.26**	**1,158.54**	**1,870.98**

As at March 31, 2020

Financial assets				
Retail Loan	738.39	107.60	630.80	3,012.46
Wholesale Loan	22.18	2.81	19.37	90.00
Total (A)	760.57	110.41	650.17	3,102.46
Loan commitments	2.38	0.19	2.20	9.69
Total (B)	2.38	0.19	2.20	9.69
Total (A + B)	762.95	110.60	652.37	3,112.15

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46.1.3. Overview of modified and forborne loans

The table below includes assets that were modified and, therefore, treated as forborne during the year, with the related modification gain / (loss) suffered by the Company.

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Amortised costs of financial assets modified during the year	241.29	-
Net modification gain / (loss)	12.54	-

46.1.4. Transfer of financial assets

(a) Transferred financial assets that are not derecognised in their entirety

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

	As at March 31, 2021	As at March 31, 2020
Securitisations		
Carrying amount of transferred assets *(held as Collateral)*	5,339.87	3,591.91
Carrying amount of associated liabilities	5,288.95	3,564.76
Fair value of assets	5,588.36	3,591.91
Fair value of associated liabilities	5,288.95	3,564.76
Net position at FV	299.41	27.15

(Currency : Indian rupees in millions)

46.2. Liquidity Risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances.

The company has financing arrangement from banks/ financial institutions in form of committed credit lines

46.2.1. Analysis of non-derivative financial assets and liabilities by remaining contractual maturities

As at March 31, 2021	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
A. Financial Assets											
Cash and cash equivalent and other bank balances	1,972.39	7,484.66	-	-	-	26.51	790.24	-	17.31	-	10,291.11
Securities held for trading	-	65.72	-	-	-	90.11	-	-	-	-	155.83
Trade receivables	-	-	-	104.02	-	-	-	-	-	-	104.02
Loans	-	573.41	203.95	878.57	1,146.76	2,571.99	6,045.49	16,906.17	7,120.66	29,818.88	65,265.88
Investments	-	-	-	-	-	-	-	-	-	1,600.86	1,600.86
Other financial assets	-	-	242.61	64.56	205.33	-	8.40	30.00	-	365.81	916.75
Total undiscounted financial assets	**1,972.39**	**8,123.79**	**446.56**	**1,047.15**	**1,352.09**	**2,688.61**	**6,844.13**	**16,936.17**	**7,137.97**	**31,785.58**	**78,334.45**
B. Financial Liabilities											
Trade payables	-	-	-	72.28	-	-	-	-	-	-	72.28
Debt securities	-	2.02	268.90	57.38	83.44	1,330.70	3,057.41	3,386.38	1,082.88	6,328.96	15,598.07
Borrowings (other than debt securities)	-	1,200.00	135.86	794.98	2,315.86	1,984.47	4,197.87	12,347.27	2,042.56	623.99	25,642.86
Subordinated financial liabilities	-	-	-	-	-	-	56.25	112.50	561.18	-	729.93
Other financial liabilities	-	271.09	938.20	81.93	157.91	235.69	476.15	1,622.71	304.56	2,281.90	6,373.11
Total undiscounted financial liabilities	**-**	**1,473.11**	**1,342.96**	**1,006.57**	**2,557.21**	**3,550.86**	**7,787.68**	**17,468.86**	**3,991.18**	**9,237.85**	**48,416.28**
Net financial assets / (liabilities)	**1,972.39**	**6,650.68**	**(896.40)**	**40.58**	**(1,205.12)**	**(862.25)**	**(943.55)**	**(532.69)**	**3,146.79**	**22,547.73**	**29,918.17**

Note - The company has financing arrangement from banks/ financial institutions in form of committed credit lines. Undrawn committed credit lines as at March 31, 2021 is Rs. 1,400.70 million.

46.2.2. The table below shows the expexted maturity of the Company's loan commitments

	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Undrawn loan commitments	-	1,207.83	11.30	15.60	7.35	16.44	13.05	9.69	-	-	1,281.26
Total	-	**1,207.83**	**11.30**	**15.60**	**7.35**	**16.44**	**13.05**	**9.69**	-	-	**1,281.26**

(Currency : Indian rupees in millions)

46.2. Liquidity Risk

As at March 31, 2020	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
A. Financial Assets											
Cash and cash equivalent and other bank balances	745.40	4,183.76	-	-	47.23	72.41	581.61	20.61	17.46	-	5,668.48
Trade receivables	-	-	-	58.46	-	-	-	-	-	-	58.46
Loans	-	633.37	268.75	1,027.86	1,420.80	5,684.97	6,105.55	14,912.45	9,919.03	39,104.01	79,076.79
Investments	-	-	-	-	-	-	-	-	-	1,044.73	1,044.73
Other financial assets	-	-	-	-	-	-	6.79	238.13	-	-	244.92
Total undiscounted financial assets	745.40	4,817.13	268.75	1,086.32	1,468.03	5,757.38	6,693.95	15,171.19	9,936.49	40,148.74	86,093.38
B. Financial Liabilities											
Trade payables	-	-	-	85.37	-	-	-	-	-	-	85.37
Debt securities	-	-	12.37	139.80	564.32	233.55	739.23	5,192.59	1,096.61	7,117.42	15,095.89
Borrowings (other than debt securities)	13.11	-	194.82	317.23	2,418.28	2,578.63	5,377.41	16,027.43	5,759.21	929.60	33,615.72
Subordinated financial liabilities	-	-	-	-	-	-	56.25	112.50	112.50	505.09	786.34
Other financial liabilities	-	206.95	190.13	60.08	82.42	184.55	334.64	786.76	270.42	1,832.85	3,918.80
Total undiscounted financial liabilities	13.11	206.95	397.32	602.48	3,065.02	2,996.73	6,507.53	22,119.28	7,238.74	10,384.96	53,532.12
Net financial assets / (liabilities)	732.29	4,610.18	(128.57)	483.84	(1,596.99)	2,760.65	186.42	(6,948.09)	2,697.75	29,763.78	32,561.26

Note - The company has financing arrangement from banks/ financial institutions in form of committed credit lines. Undrawn committed credit lines as at March 31, 2020 is Rs. 1,820 million.

46.2.2. The table below shows the expexted maturity of the Company's loan commitments

	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Undrawn loan commitments	-	280.89	64.30	37.30	17.68	36.58	28.37	19.07	-	-	484.19
Total	-	280.89	64.30	37.30	17.68	36.58	28.37	19.07	-	-	484.19

(Currency : Indian rupees in millions)

46.2. Liquidity Risk

46.2.3. Financial assets available to support future funding

Following table sets out the availability of Company's financial assets to support funding

As at March 31, 2021	Encumbered		Unencumbered		Total carrying amount
	Pledge as collateral	Contractually/ legally restricted assets [1]	Available as collateral	others [2]	
Cash and cash equivalent including bank balance	9,463.05	828.06	-	-	10,291.11
Securities held for trading	155.83	-	-	-	155.83
Trade receivables	104.02	-	-	-	104.02
Loans	29,106.20	6,294.15	558.24	-	35,958.59
Investments	-	1,600.86	-	-	1,600.86
Property, Plant and Equipment	1.21	-	-	-	1.21
Other financial assets	166.58	365.84	384.33	-	916.75
Total assets	38,996.89	9,088.92	942.57	-	49,028.37

As at March 31, 2020	Encumbered		Unencumbered		Total carrying amount
	Pledge as collateral	Contractually/ legally restricted assets [1]	Available as collateral	others [2]	
Cash and cash equivalent including bank balance	5,628.39	40.09	0.00	-	5,668.48
Trade receivables	-	-	58.46	-	58.46
Loans	37,714.82	4,513.33	972.47	-	43,200.62
Investments	-	1,044.73	-	-	1,044.73
Property, Plant and Equipment	1.21	-	-	-	1.21
Other financial assets	-	-	-	-	-
Total assets	43,344.42	5,598.15	1,030.93	-	49,973.50

1 Represents assets which are not pledged and the Company believes it is restricted from using to secure funding for legal or other reason

2 Represents assets which are not restricted for use as collateral, but that the Company would not consider readily available to secure funding in the normal course of business

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(Currency : Indian rupees in millions)

46.3. Market Risk

Market risk is the risk associated with the effect of changes in market factors such as interest rates, equity prices, credit spreads or implied volatilities, on the value of assets and liabilities held resulting in loss of future earnings. The objective of the Company's market risk management is to manage and control market risk exposures within acceptable parameters. The Company separates its exposure to market risks between trading and non-trading portfolios.

Exposure to market risk – Non trading portfolios

Interest rate risk - The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands.

ALCO is the monitoring body for compliance with these limits. ALCO reviews the interest rate gap statement and the mix of floating and fixed rate assets and liabilities. Balance Sheet Management Unit is in-charge for day to day management of interest rate risk.

46.3.1 Market risk exposure

The fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates. The Company classifies its exposures to market risk into non–trading portfolios.

Particulars	As at March 31, 2021			As at March 31, 2020			Primary risk sensitivity
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk	
Financial Assets							
Cash and cash equivalent and other bank balances	10,291.11	-	10,291.11	5,668.48	-	5,668.48	Interest rate
Securities held for trading	-	155.83	155.83	-	-	-	Interest rate / Price risk
Loans	35,958.59	-	35,958.59	43,200.62	-	43,200.62	Interest rate
Investments	1,600.86	-	1,600.86	1,044.73	-	1,044.73	Interest rate
Trade receivables	104.02	-	104.02	58.46	-	58.46	
Other financial assets	916.75	-	916.75	244.92	-	244.92	
Total	48,871.33	155.83	49,027.16	50,217.21	-	50,217.21	
Financial Liabilities							
Debt securities	11,676.75	-	11,676.75	10,091.57	-	10,091.57	Interest rate
Borrowings (other than Debt Securities)	22,628.38	-	22,628.38	27,992.02	-	27,992.02	Interest rate
Subordinated liabilities	508.61	-	508.61	508.61	-	508.61	Interest rate
Trade payables	72.28	-	72.28	85.37	-	85.37	
Other liabilities	6,373.14	-	6,373.14	3,948.80	-	3,948.80	Interest rate
Total	41,259.16	-	41,259.16	42,626.37	-	42,626.37	

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46.3. Market Risk

46.3.2 Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows of financial instruments. The sensitivity of the statement of profit and loss is the effect of the assumed changes in interest rates on the profit or loss for a year, based on the floating rate non–trading financial assets and financial liabilities held as at year end.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss and equity.

INR Loans

For the year ended	Increase/ (Decrease) in basis points	Increase in profit after tax	Decrease in profit after tax	Increase in Equity	(Decrease) in Equity
INR Loans					
March 31, 2021	25/(25)	35.74	(35.74)	35.74	(35.74)
March 31, 2020	25/(25)	45.46	(45.46)	45.46	(45.46)
INR Borrowings					
March 31, 2021	25/(25)	(40.05)	40.05	(40.05)	40.05
March 31, 2020	25/(25)	(50.97)	50.97	(50.97)	50.97

(Currency : Indian rupees in millions)

47.1. Fair Value measurement:

A. Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques:

Level 1 – valuation technique using quoted market price: financial instruments with quoted prices for identical instruments in active markets that company can access at the measurement date.

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

Level 3 – valuation technique with significant unobservable inputs: Those that include one or more unobservable input that is significant to the measurement as whole.

Refer note 3.11 for more details on fair value hierarchy

B. Valuation governance framework

The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by various functions of the Company including the risk and finance functions.

Where fair values are determined by reference to externally quoted prices or observable pricing inputs to models, independent price determination or validation is used. For inactive markets, Company sources alternative market information, with greater weight given to information that is considered to be more relevant and reliable.

The responsibility of ongoing measurement resides with the business and product line divisions. However finance department is also responsible for establishing procedures governing valuation and ensuring fair values are in compliance with accounting standards.

C. The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy

As at March 31, 2021	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets measured at fair value on a recurring basis				
Other financial assets				
Security receipts	-	-	1,600.86	1,600.86
Total financial instruments measured at fair value - C	**-**	**-**	**1,600.86**	**1,600.86**

As at March 31, 2020	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Other financial assets				
Security receipts	-	-	1,044.73	1,044.73
Total financial instruments measured at fair value - C	-	-	1,044.73	1,044.73

D. Valuation techniques:

Security receipts

The market for these securities is not active. Therefore, the Company uses valuation techniques to measure their fair values. Since the security receipts are less liquid instruments therefore they are valued by discounted cash flow models. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers. Securities receipts with significant unobservable valuation inputs are classified as Level 3

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(Currency : Indian rupees in millions)

47.1. Fair Value measurement:

E. There have been no transfers between levels during the year ended March 31, 2021 and March 31, 2020.

F. The following table shows a reconciliation of the opening balances and the closing balances for fair value measurements in Level 3 of the fair value hierarchy.

Financial year ended March 2021	Security receipts	Total
Investments - at April 1, 2020	**1,044.73**	**1,044.73**
Purchase	613.53	613.53
Sale/Redemption proceeds	(57.40)	(57.40)
Profit for the year recognised in profit or loss	-	-
Investments - at March 31, 2021	**1,600.86**	**1,600.86**
Unrealised gain/(Loss) related to balances held at the end of the year	-	-

Financial year ended March 2020	Security receipts	Total
Investments - at April 1, 2019	-	-
Purchase	1,044.88	1,044.88
Sale/Redemption proceeds	(0.14)	(0.14)
Profit for the year recognised in profit or loss	-	-
Investments - at March 31, 2020	1,044.73	1,044.73
Unrealised gain/(Loss) related to balances held at the end of the year	-	-

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47.1. Fair Value measurement:

G. Impact on fair value of level 3 financial instrument of changes to key unobservable inputs

The below table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Company's Level 3 Instruments i.e. Securities receipts. The range of values indicates the highest and lowest level input used in the valuation technique and, as such, only reflects the characteristics of the instruments as opposed to the level of uncertainty to their valuation. Relationships between unobservable inputs have not been incorporated in this summary.

Type of Financial Instruments	Fair value of asset as on 31 March 2021	Valuation techniques	Significant unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value	Decrease in the unobservable input	Change in fair value
Security receipts	1,600.86	Discounted Cash flow. The present value of expected future economic benefits to be derived from the ownership of the underlying investments of the Trust.	Expected future cash flows	1,881.22	5% increase in Expected future Cash flow	78.41	5% Decrease in Expected future Cash flow	(78.41)
			Risk-adjusted discount rate	12.00%	0.5% increase in Risk-adjusted discount rate	(7.11)	0.5% Decrease in Risk-adjusted discount rate	7.18

Type of Financial Instruments	Fair value of asset as on 31 March 2020	Valuation techniques	Significant unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value	Decrease in the unobservable input	Change in fair value
Security receipts	1,044.73	Discounted Cash flow. The present value of expected future economic benefits to be derived from the ownership of the underlying investments of the Trust.	Expected future cash flows	1,317.72	5% increase in Expected future Cash flow	56.47	5% Decrease in Expected future Cash flow	(56.47)
			Risk-adjusted discount rate	12.00%	0.5% increase in Risk-adjusted discount rate	(4.64)	0.5% Decrease in Risk-adjusted discount rate	4.69

(Currency : Indian rupees in millions)

47.2. Financial instruments not measured at fair value

The following table sets out the fair values of financial instruments not measured at fair value and analysing them by the level in the fair value hierarchy into which each fair value measurement is categorised.

As on March 31, 2021	Total Carrying Amount	Total fair value	Level 1	Level 2	Level 3
Financial assets:					
Loans	35,958.59	37,150.32	-	-	37,150.32
Total	35,958.59	37,150.32	-	-	37,150.32
Financial liabilities					
Debt securities	11,676.75	11,952.14	-	11,952.14	-
Borrowing (other than debt securities)	2,540.58	2,592.38	-	2,592.38	-
Subordinated liabilities	508.61	508.44	-	508.44	-
Total	14,725.94	15,052.97	-	15,052.97	-
Off-balance sheet items					
Loan commitments	1,281.26	640.63	-	-	640.63
Total	1,281.26	640.63	-	-	640.63

As on March 31, 2020	Total Carrying Amount	Total fair value	Level 1	Level 2	Level 3
Financial assets:					
Loans	43,200.62	44,884.56	-	-	44,884.56
Total	43,200.62	44,884.56	-	-	44,884.56
Financial liabilities					
Debt securities	10,091.57	10,367.03	-	10,367.03	-
Borrowing (other than debt securities)	2,384.83	2,397.47	-	2,397.47	-
Subordinated liabilities	508.61	556.74	-	556.74	-
Total	12,985.01	13,321.24	-	13,321.24	-
Off-balance sheet items					
Loan commitments	484.19	242.10	-	-	242.10
Total	484.19	242.10	-	-	242.10

Valuation Methodologies of Financial Instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions explained in notes.

Short Term Financial Assets and Liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value. Such instruments include: Trade receivables, balances other than cash and cash equivalents, trade payables and contract liability without a specific maturity. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

Financial assets at amortised cost

The fair values of financial assets measured at amortised cost are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk. In case of floating interest rate linked loans, since such loans are subject to repricing periodically (less than twelve months), with the interest rate reflecting current market price. Hence carrying value of such loans is deemed to be equivalent of fair value.

Issued Debt

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Company's own credit risk.

Financial liabilities at amortised cost

The fair values of financial liabilities measured at amortised cost are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields. In case of floating interest rate linked borrowings, since such borrowings are subject to repricing periodically (less than twelve months), with the interest rate reflecting current market price. Hence carrying value of such borrowings is deemed to be equivalent of fair value.

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48. Trade receivables

Provision matrix for Trade receivables

Particulars	**Trade receivables days past due**	**1-90days**	**91-180 days**	**181-360 days**	**more than 360 days**	**Total**
ECL rate		2.17%	11.67%	48.80%	100.00%	
As at March 31, 2021	Estimated total gross carrying amount at default	**104.36**	**0.00**	**3.75**	**0.10**	**108.21**
	ECL - Simplified approach	**(2.26)**	**0.00**	**(1.83)**	**(0.10)**	**(4.19)**
	Net carrying amount	**102.10**	**-**	**1.92**	**-**	**104.02**
As at March 31, 2020	Estimated total gross carrying amount at default	11.42	0.33	0.81	0.10	12.66
	ECL - Simplified approach	(0.01)	(0.00)	(0.14)	(0.10)	(0.26)
	Net carrying amount	11.41	0.33	0.67	-	12.40

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49 **Details of the loan taken from Banks and other parties**

Nature of security and terms of repayment for secured borrowings (other than debentures):
All secured long term borrowings are secured by way of hypothecation of receivables i.e. loans and advances and corporate guarantee from the ultimate holding company and or holding company.

(a) **From Banks**
As at March 31, 2021

Month of Maturity / Repayment	Rate of Interest		Total
	< 10%	10.01-11.00%	
December-2024	739.63	-	739.63
September-2024	72.90	-	72.90
June-2024	762.08	-	762.08
March-2024	506.74	-	506.74
December-2023	1,253.58	-	1,253.58
September-2023	901.41	-	901.41
June-2023	1,645.08	-	1,645.08
March-2023	1,005.90	-	1,005.90
December-2022	1,879.47	-	1,879.47
September-2022	1,266.24	-	1,266.24
June-2022	1,919.43	-	1,919.43
March-2022	1,280.25	-	1,280.25
December-2021	1,919.43	-	1,919.43
September-2021	1,499.55	-	1,499.55
June-2021	2,180.00	-	2,180.00
Total	18,831.69	-	18,831.69

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49 Details of the loan taken from Banks and other parties

(a) From Banks
As at March 31, 2020

Month of Maturity / Repayment	Rate of Interest		Total
	< 10%	10.01-11.00%	
February-2025	-	35.71	35.71
December-2024	697.92	-	697.92
November-2024	-	35.71	35.71
September-2024	72.92	-	72.92
August-2024	-	35.71	35.71
June-2024	747.92	-	747.92
May-2024	-	35.71	35.71
March-2024	226.32	-	226.32
February-2024	-	35.71	35.71
December-2023	852.12	-	852.12
November-2023	-	35.71	35.71
September-2023	595.54	-	595.54
August-2023	-	35.71	35.71
June-2023	1,283.04	-	1,283.04
May-2023	-	35.71	35.71
March-2023	1,001.79	-	1,001.79
February-2023	-	35.71	35.71
December-2022	1,744.06	-	1,744.06
November-2022	-	35.71	35.71
September-2022	1,276.14	-	1,276.14
August-2022	-	35.71	35.71
June-2022	1,901.14	-	1,901.14
May-2022	-	35.71	35.71
March-2022	1,276.14	-	1,276.14
February-2022	-	35.71	35.71
December-2021	1,901.14	-	1,901.14
November-2021	-	35.71	35.71
September-2021	1,276.14	-	1,276.14
August-2021	-	35.71	35.71
June-2021	1,901.14	-	1,901.14
May-2021	-	35.71	35.71
March-2021	1,613.21	35.90	1,649.11
February-2021	33.33	35.71	69.05
December-2020	1,619.89	35.71	1,655.60
November-2020	33.33	35.71	69.05
September-2020	1,794.47	35.71	1,830.18
August-2020	80.21	35.71	115.92
June-2020	1,888.65	35.71	1,924.36
May-2020	80.21	35.71	115.92
Total	23,896.73	857.32	24,754.05

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49 **Details of the loan taken from Banks and other parties**

(b) **From The National Housing Bank**
As at March 31, 2021

Month of Maturity / Repayment	Rate of Interest				Total
	<6.5%	6.5% to <=8.50%	8.51% to 9.5%	>9.50%	
October-2030	-	10.61	-	-	10.61
July-2030	-	19.80	-	-	19.80
April-2030	-	19.80	-	-	19.80
January-2030	-	19.80	-	-	19.80
October-2029	-	19.80	-	-	19.80
July-2029	-	20.15	-	-	20.15
April-2029	-	24.81	-	-	24.81
January-2029	-	33.06	-	-	33.06
October-2028	-	33.20	-	-	33.20
July-2028	-	33.20	-	-	33.20
April-2028	-	33.20	-	-	33.20
January-2028	-	33.20	-	-	33.20
October-2027	-	33.20	-	-	33.20
July-2027	-	33.20	-	-	33.20
April-2027	-	33.20	-	-	33.20
January-2027	-	33.20	-	-	33.20
October-2026	-	33.20	-	-	33.20
July-2026	-	33.20	-	-	33.20
April-2026	-	33.20	-	-	33.20
January-2026	-	33.20	-	-	33.20
October-2025	-	33.20	-	-	33.20
July-2025	27.30	33.20	-	-	60.50
April-2025	30.50	33.20	-	-	63.70
January-2025	31.45	33.20	-	-	64.65
October-2024	31.95	33.20	-	-	65.15
July-2024	39.97	33.20	-	-	73.17
April-2024	41.21	33.20	-	-	74.41
January-2024	41.21	33.20	-	-	74.41
October-2023	41.21	33.20	-	-	74.41
July-2023	41.21	33.20	-	-	74.41
April-2023	41.21	33.20	5.99	-	80.40
January-2023	41.21	33.20	7.24	-	81.64
October-2022	41.21	33.20	7.24	-	81.64
July-2022	42.19	33.20	7.24	-	82.62
April-2022	44.60	33.20	7.24	-	85.03
January-2022	44.60	33.20	7.24	-	85.03
October-2021	44.60	33.20	7.24	-	85.03
July-2021	44.60	33.20	7.24	-	85.03
May-2021	650.00	-	-	-	650.00
Total	1,320.23	1,163.83	56.67	-	2,540.66

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(Currency : Indian rupees in millions)

49 Details of the loan taken from Banks and other parties

(b) From The National Housing Bank
As at March 31, 2020

Month of Maturity / Repayment	Rate of Interest				Total
	<6.5%	6.5% to <=8.50%	8.51% to 9.5%	>9.50%	
October-2031	-	-	-	9.4	9.40
July-2031	-	-	-	20.22	20.22
April-2031	-	-	-	20.66	20.66
January-2031	-	-	-	20.66	20.66
October-2030	-	-	-	20.66	20.66
July-2030	-	-	-	20.66	20.66
April-2030	-	-	6.74	20.66	27.40
January-2030	-	-	12.74	20.66	33.40
October-2029	-	-	12.74	20.66	33.40
July-2029	-	-	12.74	20.66	33.40
April-2029	-	-	12.74	20.66	33.40
January-2029	-	-	12.74	20.66	33.40
October-2028	-	-	12.74	20.66	33.40
July-2028	-	-	12.74	20.66	33.40
April-2028	-	-	12.74	20.66	33.40
January-2028	-	-	12.74	20.66	33.40
October-2027	-	-	12.74	20.66	33.40
July-2027	-	-	12.74	20.66	33.40
April-2027	-	-	12.74	20.66	33.40
January-2027	-	-	12.74	20.66	33.40
October-2026	-	-	12.74	20.66	33.40
July-2026	-	-	12.74	20.66	33.40
April-2026	-	-	12.74	20.66	33.40
January-2026	-	-	12.74	20.66	33.40
October-2025	-	-	12.74	20.66	33.40
July-2025	27.30	-	12.74	20.66	60.70
April-2025	30.50	-	12.74	20.66	63.90
January-2025	31.45	-	12.74	20.66	64.85
October-2024	31.95	0.37	12.74	20.66	65.72
July-2024	39.97	0.48	12.74	20.66	73.85
April-2024	41.21	0.48	12.74	20.66	75.09
January-2024	41.21	0.48	12.74	20.66	75.09
October-2023	41.21	0.48	12.74	20.66	75.09
July-2023	41.21	0.48	12.74	20.66	75.09
April-2023	41.21	0.48	18.73	20.66	81.08
January-2023	41.21	0.48	19.97	20.66	82.32
October-2022	41.21	0.48	19.97	20.66	82.32
July-2022	41.21	0.48	20.95	20.66	83.30
April-2022	41.21	0.48	23.36	20.66	85.71
January-2022	41.21	0.48	23.36	20.66	85.71
October-2021	41.21	0.48	23.36	20.66	85.71
July-2021	41.21	0.48	23.36	20.66	85.71
April-2021	41.21	0.48	23.36	20.66	85.71
January-2021	41.21	0.48	23.36	20.66	85.71
October-2020	41.21	0.48	23.36	20.66	85.71
July-2020	41.21	0.48	23.36	20.66	85.71
Total	820.53	8.52	617.12	938.66	2,384.83

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(Currency : Indian rupees in millions)

50 Repayment terms of Secured Non-convertible Debentures are as follow.

As at March 31, 2021

Description of Secured Redeemable Non Convertible Debentures (NCD)	Rate	Issue Date	Redemption Date	No. of NCDs	Amount
EHFL 10.28%, Monthly**	10.28%	18-Mar-2019	18-Mar-2029	1,500	1,500.00
EHFL/Public NCD/Series VII	0.00%	19-Jul-2016	19-Jul-2026	59,841	59.84
EHFL/Public NCD/Series VI	10.00%	19-Jul-2016	19-Jul-2026	33,47,060	3,347.06
EHFL/Public NCD/Series V	9.57%	19-Jul-2016	19-Jul-2026	2,48,424	248.42
EHFL/NCD/29Apr26	9.62%	29-Apr-2016	29-Apr-2026	250	250.00
EHFL/NCD/30Jun22	8.55%	30-Jun-2017	30-Jun-2022	100	100.00
EHFL_Reisssuance	8.55%	12-Jul-2017	30-Jun-2022	200	200.00
EHFL/NCD/21Jun22	8.55%	21-Jun-2017	21-Jun-2022	500	500.00
EHFL/NCD/19May22	8.55%	19-May-2017	19-May-2022	500	500.00
EHFL/NCD/18May22	9.25%	18-Nov-2020	18-May-2022	1,000	1,000.00
EHFL/NCD/04Mar22	9.25%	04-Sep-2020	04-Mar-2022	750	750.00
EHFL/NCD/14Feb22	9.25%	14-Aug-2020	14-Feb-2022	1,000	1,000.00
EHFL/NCD/03Jan22	9.05%	03-Jul-2020	03-Jan-2022	1,000	1,000.00
EHFL/Public NCD/Series IV	0.00%	19-Jul-2016	19-Jul-2021	41,498	41.50
EHFL/Public NCD/Series III	9.75%	19-Jul-2016	19-Jul-2021	4,42,341	442.34
EHFL/NCD/15Apr21	0.00%	22-Mar-2018	15-Apr-2021	178	178.00
Total					11,117.16

**All Secured NCDs are fully secured by way of mortgage of identified immovable property as stated in the respective debenture trust deed(s) and/ or by way of charge/ hypothecation of book debts/ receivables/ loan receivables, on first / pari-passu basis, to the extent stated in the respective information memorandum read with the underlying debenture trust deed.

As at March 31, 2020

Description of Secured Redeemable Non Convertible Debentures (NCD)	Rate	Issue Date	Redemption Date	No. of NCDs	Amount
EHFL 10.28%, Monthly**	10.28%	18-Mar-2019	18-Mar-2029	1,500	1,500.00
EHFL/Public NCD/Series VII	0.00%	19-Jul-2016	19-Jul-2026	59,841	59.84
EHFL/Public NCD/Series VI	10.00%	19-Jul-2016	19-Jul-2026	34,62,048	3,462.05
EHFL/Public NCD/Series V	9.57%	19-Jul-2016	19-Jul-2026	2,48,424	248.42
EHFL/NCD/29Apr26	9.62%	29-Apr-2016	29-Apr-2026	250	250.00
EHFL/NCD/30Jun22	8.55%	30-Jun-2017	30-Jun-2022	100	100.00
EHFL_Reisssuance	8.55%	12-Jul-2017	30-Jun-2022	200	200.00
EHFL/NCD/21Jun22	8.55%	21-Jun-2017	21-Jun-2022	500	500.00
EHFL/NCD/19May22	8.55%	19-May-2017	19-May-2022	500	500.00
EHFL Aug 2021	0.00%	27-Jul-2018	12-Aug-2021	500	500.00
EHFL/Public NCD/Series IV	0.00%	19-Jul-2016	19-Jul-2021	41,815	41.82
EHFL/Public NCD/Series III	9.75%	19-Jul-2016	19-Jul-2021	5,89,016	589.02
EHFL ZCB 2021	0.00%	04-Apr-2018	04-May-2021	450	450.00
EHFL/NCD/15Apr21	0.00%	20-Feb-2018	15-Apr-2021	70	70.00
EHFL/NCD/15Apr21	0.00%	22-Mar-2018	15-Apr-2021	178	178.00
EHFL/NCD/02Jun20	0.00%	13-Jun-2017	02-Jun-2020	100	100.00
EHFL_Reissuance_2	0.00%	20-Jul-2017	02-Jun-2020	300	300.00
EHFL_Reisssuance	0.00%	19-Sep-2017	02-Jun-2020	150	150.00
EHFL/NCD/12May20	0.00%	21-Apr-2017	12-May-2020	125	125.00
Total					9,324.14

**All Secured NCDs are fully secured by way of mortgage of identified immovable property as stated in the respective debenture trust deed(s) and/ or by way of charge/ hypothecation of book debts/ receivables/ loan receivables, on first / pari- passu basis, to the extent stated in the respective information memorandum read with the underlying debenture trust deed.

(Currency : Indian rupees in millions)

51 Details of Unsecured Subordinated Debentures

As at March 31, 2021

Description of Unsecured Redeemable Non Convertible Debentures (NCD)	CouponRate	Issue Date	Redemption Date	No. of NCDs	Amount
EHFL/NCD/3May2025	11.25%	04-Feb-2015	03-May-2025	500	500.00
					-

As at March 31, 2020

Description of Unsecured Redeemable Non Convertible Debentures (NCD)	CouponRate	Issue Date	Redemption Date	No. of NCDs	Amount
EHFL/NCD/3May2025	11.25%	04-Feb-2015	03-May-2025	500	500.00
					-

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52. Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements from its regulators and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

(a) The Pillars of its policy are as follows:

a) Maintain diversity of sources of financing and spreading the maturity across tenure buckets in order to minimize liquidity risk.

b) Maintain investment grade ratings for all its liabilities issuances domestically and internationally by ensuring that the financial strength of their balance sheets are preserved.

c) Manage financial market risks arising from Interest rate, equity prices and minimise the impact of market volatility on earnings.

d) Leverage optimally in order to maximise shareholder returns while maintaining strength and flexibility of balance sheet.

This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment

(b) Regulatory Capital

The below regulatory capital is computed in accordance with the relevant regulatory guidelines.

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Funds		
Common Equity Tier1 (CET1) capital	**6,676.41**	7,499.78
Other Tier 2 capital instruments (CET2)	-	144.08
Total capital	**6,676.41**	7,643.86
Risk weighted assets	**25,205.72**	26,758.65
CET1 Capital ratio	**26.49%**	28.03%
CET2 Capital ratio	**0.00%**	0.54%
Total Capital ratio	**26.49%**	28.57%

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(Currency : Indian rupees in millions)

53. Regulatory disclosures

The following minimum disclosures have been given in accordance with RBI Circular No. RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17,2021 on Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 read with Circular RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 on Implementation of Indian Accounting Standards dated March 13, 2020.

(i) Statutory reserve

As per Section 29C of the The National Housing Bank Act, 1987 (the "NHB Act"), the company is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared. For this purpose any Special Reserve created by the company under Section 36(1)(viii) of the Income- tax Act, is considered to be an eligible transfer. The company has transferred an amount of Rs. 3.00 million (Previous Year Rs. 2.49 million) to Special Reserve No. II in terms of Section 36(1)(viii) of the Income-tax Act, 1961 and an amount of Rs.4.46 million (Previous Year Rs. 0.63 million) to "Statutory Reserve (As per Section 29C of The NHB Act)".

Reserve Fund under section 29C of National Housing Bank Act, 1987

Particulars		**As at March 31, 2021**	As at March 31, 2020
Balance at the beginning of the year		**Amount**	Amount
a)	Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	**151.20**	150.57
b)	Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under section 29C of the NHB Act, 1987	**389.14**	386.65
c)	**Total**	**540.34**	537.22
Addition/Appropriation/Withdrawal during the year			
Add : a)	Amount transferred u/s 29C of the NHB Act, 1987	**4.46**	0.63
b)	Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under section 29C of the NHB Act, 1987	**3.00**	2.49
Less : a)	Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b)	Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/ s 29C of the NHB Act, 1987	-	-
Balance at the end of the year			
a)	Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	**155.66**	151.20
b)	Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under section 29C of the NHB Act, 1987	**392.14**	389.14
c)	**Total**	**547.80**	540.34

(Currency : Indian rupees in millions)

53. **Regulatory disclosures**

(ii) ***Fraud Reporting***

There were fraud cases agreegating to Rs.1.97 millions (Previous year Rs. 31.94 millions) identified and reported to NHB during the financial year ended on March 31, 2021.

(iii) ***Foreign Exchange Transaction and Un-hedged Foreign Currency Risk***

The Company has not undertaken any foreign currency transaction during the year ended March 31, 2021 (Previous year: Rs Nil). Also the company does not have any un-hedged foreign curreny exposure as at March 31, 2021 (Previous year Rs. Nil)

(iv) ***Details of dues to micro enterprise and small enterprise***

Trade Payables include Rs. Nil (Previous year: Rs. Nil) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. Interest Rs 0.03 millions has been paid by the Company during the year to "Suppliers" registered under this Act. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said act.

(v) ***Capital to risk assets ratio (CRAR)***

		As at March 31, 2021	As at March 31, 2020
(i)	CRAR (%)	26.49%	28.57%
(ii)	CRAR - Tier I capital (%)	26.49%	28.03%
(iii)	CRAR - Tier II Capital (%)	-	0.54%
(iv)	Amount of subordinated debt raised as Tier-II capital	-	-
(v)	Amount raised by issue of perpetual debt instruments	-	-

(vi) ***Investments***

	Value of Investments	As at March 31, 2021	As at March 31, 2020
(i)	Gross value of Investments		
	(a) In India	1,600.86	1,044.73
	(b) Outside India	Nil	Nil
(ii)	Provisions for Depreciation		
	(a) In India	Nil	Nil
	(b) Outside India	Nil	Nil
(iii)	Net value of Investments		
	(a) In India	1,600.86	1,044.73
	(b) Outside India	Nil	Nil
	Movement of provisions held towards depreciation on investments		
(i)	Opening balance	Nil	Nil
(ii)	Add: Provisions made during the year	Nil	Nil
(iii)	Less: Write-off / Written-bank of excess provisions during the year	Nil	Nil
(iv)	Closing balance	Nil	Nil

(vii) ***Derivatives and Long Term Contracts***

The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts has been made in the books of account. The Company has not entered into any derivative contracts during the year. (Previous year Rs. Nil) and hence detailed disclosure is not required.

(Currency : Indian rupees in millions)

53. **Regulatory disclosures**

(viii) ***Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)***

		As at March 31, 2021	As at March 31, 2020
(i)	The notional principal of swap agreements	Nil	Nil
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	Nil	Nil
(iii)	Collateral required by the HFC upon entering into swaps	Nil	Nil
(iv)	Concentration of credit risk arising from the swaps	Nil	Nil
(v)	The fair value of the swap book	Nil	Nil

(ix) ***Exchange Traded Interest Rate (IR) Derivative***

		As at March 31, 2021	As at March 31, 2020
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year (instrumentwise)	Nil	Nil
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as on March 31, 2021 and March 31, 2020 (instrument-wise)	Nil	Nil
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	Nil	Nil
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	Nil	Nil

(x) ***Disclosures on Risk Exposure in Derivatives***

A. Qualitative Disclosure

The Company has not entered into any derivative contracts during the year. (Previous year Rs. Nil)

B. Quantitative Disclosure

		As at March 31, 2021	As at March 31, 2020
(i)	Derivatives (Notional Principal Amount)	Nil	Nil
(ii)	Marked to Market Positions [1]		
	(a) Assets (+)	Nil	Nil
	(b) Liability (-)	Nil	Nil
(iii)	Credit Exposure [2]	Nil	Nil
(iv)	Unhedged Exposures	Nil	Nil

(Currency : Indian rupees in millions)

53. Regulatory disclosures

(xi) *Securitisation/ Direct Assignment:*

(a) Disclosures in the notes to the accounts in respect of securitisation transactions as required under revised guidelines on securitization transactions issued by NHB vide circular no. NHB/HFC/CG-DIR.1/MD&CEO/2016

	Particulars	As at March 31, 2021	As at March 31, 2020
1	No. of SPVs sponsored by the HFC for securitisation transactions	1	1
2	Total amount of securitised assets as per books of the SPVs sponsored by the HFC	0.25	2.88
3	Total amount of exposures retained by the HFC to comply with MRR as on the date of balance sheet	-	-
	(i) Off-balance sheet exposures towards Credit Enhancements		
	a) First Loss	-	-
	b) Others	-	-
	(ii) On-balance sheet exposures towards Credit Enhancements		
	a) First Loss	-	-
	b) Others		-
4	Amount of exposures to securitisation transactions other than MRR	10.60	10.60
	(i) Off-balance sheet exposures towards Credit Enhancements		
	a) Exposure to own securitisations		
	i.) First Loss	-	-
	ii.) Others	-	-
	b) Exposure to third party securitisations		
	i.) First Loss	-	-
	ii.) Others	-	-
	(ii) On-balance sheet exposures towards Credit Enhancements		
	a) Exposure to own securitisations		
	i.) First Loss	10.60	10.60
	ii.) Others	-	-
	b) Exposure to third party securitisations		
	i.) First Loss	-	-
	ii.) Others	-	-

* Only the SPVs relating to outstanding securitisation transactions may be reported here

(b) Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

	Particulars	As at March 31, 2021	As at March 31, 2020
i)	No. of accounts	452	307
ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	1,368.15	1,475.99
iii)	Aggregate consideration	1,176.00	1,325.00
iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
v)	Aggregate gain / loss over net book value	(192.15)	(150.99)

(Currency : Indian rupees in millions)

53. **Regulatory disclosures**

(c) Disclosures in the notes to the accounts in respect of assignment transactions as required under revised guidelines on securitization transactions issued by NHB vide circular no. NHB.HFC.CG-DIR.1/MD&CEO/2016

				As at March 31, 2021	As at March 31, 2020
1	No. of transactions assigned by the HFC			23	16
2	Total amount outstanding			15,308.15	10,380.26
3	Total amount of exposures retained by the HFC to comply with MRR as on the date of balance sheet			1,285.94	911.07
	(I)	Off-balance sheet exposures			
		a) First Loss		-	-
		b) Others		-	-
	(II)	On-balance sheet exposures			
		a) First Loss		-	-
		b) Others		1,285.94	911.07
4	Amount of exposures to assignment transactions other than MRR			746.18	555.50
	(I)	Off-balance sheet exposures			
		a) Exposure to own assignments			
		i.) First Loss		-	-
		ii.) Others		-	-
		b) Exposure to third party assignments			
		i.) First Loss		-	-
		ii.) Others		-	-
	(II)	On-balance sheet exposures			
		a) Exposure to own assignments		746.18	555.50
		i.) First Loss		-	-
		ii.) Others		-	-
		b) Exposure to third party assignments			
		i.) First Loss		-	-
		ii.) Others		-	-

(d) Details of Assignment transactions undertaken by HFCs

		For the year ended March 31, 2021	For the year ended March 31, 2020
i)	No. of accounts	5,159.00	1,650.00
ii)	Aggregate value (net of provisions) of accounts sold	8,778.14	5,601.89
iii)	Aggregate consideration	8,778.14	5,601.89
iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
v)	Aggregate gain / loss over net book value	-	-

(e) ***Details of non-performing financials assets purchased / sold***

During the year the Company has not purchases non-performing financials assets. (Previous year : Nil)

A. Details of non-performing financial assets purchased :

			As at March 31, 2021	As at March 31, 2020
1	(a)	No. of accounts purchased during the year	Nil	Nil
	(b)	Aggregate outstanding	Nil	Nil
2	(a)	Of these, number of accounts restructured during the year	Nil	Nil
	(b)	Aggregate outstanding	Nil	Nil

B. Details of Non-performing Financial Assets sold:

		As at March 31, 2021	As at March 31, 2020
1	No. of accounts sold	452.00	307.00
2	Aggregate outstanding	1,368.15	1,475.99
3	Aggregate consideration received	1,176.00	1,325.00

53. Regulatory disclosures

(xii) *Disclosure of Restructured Accounts - Micro, Small and Medium Enterprises (MSME) sector*
(as required by RBI guidelines under reference RBI/2018-19/100 DBR.No.BP.BC.18/21.04.048/2018-19 dated January 01, 2019 read with RBI circular RBI/2019-20/160 DOR.No.BP.BC.34/21.04.048/2019-20 dated February 11, 2020 and RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 dated August 6, 2020)

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
No of accounts restructured	24	-
Amount (Indian rupees in millions)	105.70	-

(xiii) Exposure to real estate sector
a) Exposure to real estate sector, both direct and indirect

Category	As at March 31, 2021	As at March 31, 2020
a) Direct exposure		
(i) **Residential mortgages -**		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented: [Individual housing loans up to Rs. 15 lakh Rs. 8,161.32 million (Previous Year Rs. 9,238.24 million)]	31,860.02	38,473.34
(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).	4,034.05	5,280.67
(iii) **Investments in Mortgage Backed Securities (MBS) and other securitised exposures**		
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

b) Exposure to capital market

Particulars	As at March 31, 2021	As at March 31, 2020
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	65.72	Nil
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	Nil	Nil
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	Nil	Nil
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances	Nil	Nil
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	Nil	Nil
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	Nil	Nil
(vii) bridge loans to companies against expected equity flows / issues	Nil	Nil
(viii) all exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
Total Exposure to Capital Market	65.72	Nil

Edelweiss Housing Finance Limited

(Currency : Indian rupees in millions)

53. Regulatory disclosures

(xiv) *Details of financing of parent Company products - Nil (Previous year - Nil)*

(xv) *Details of Single Borrower Limit (SBL) / Group Borrower Limit (GBL) exceeded by the HFC*

During the year ended March 31, 2021 and March 31, 2020, the Company's credit exposure (whether in terms of sanctioned amount or entire amount outstanding whichever is higher) to single borrowers and group borrowers were within the limits prescribed by the NHB.

(xvi) *Unsecured Advances*

The Company has not taken any charge over the rights, licenses, authorisations, etc., against unsecured loans given to borrowers in the current year and previous year.

(xvii) ***Remuneration of Directors***

The Company has not entered into any transactions with non-executive directors during the year (Previous Year Rs.Nil), except for those disclosed in note 53 (xxxv)

(xviii) ***Net Profit or Loss for the period, prior period items and changes in accounting policies***

There are no prior period items during the year (Previous Year Rs.Nil) and no change in any accounting policy from last year.

(xix) ***Accounting Standard 21 - Consolidated Financial Statemeents (CFS)***

The company does not have any subsidiary, associate, or joint venture in the current year and previous year and hence consolidation of accounts is not required.

(xx) ***Details of 'provisions and contingencies'***

	Break up of 'provisions and Contingencies' shown under the head expenditure in statement of profit and loss.	For the year ended March 31, 2021	For the year ended March 31, 2020
(i)	Provisions for depreciation on investment	Nil	Nil
(ii)	Provision towards NPA - (Stage III loans)	21.16	(30.29)
(iii)	Provision made towards income tax	(51.25)	88.66
(iv)	Provision for standard assets* (with details like teaser loan, CRE, CRE-RH etc.) - Stage I & II loans	64.07	77.13
(v)	Other provision and contingencies	Nil	Nil

* Provision for Stage I & II loans include CRE - RH of Rs (53.23) million (Previous Year Rs 61.84 million), CRE - Non-RH of Rs (11.88) million (Previous Year Rs 19.71 million), Non CRE of Rs 129.18 million (Previous Year Rs (4.43) million).

(xxi)

	Break up of Loan & Advances and Provisions thereon	Housing		Non-Housing	
		As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
	Standard Assets				
(a)	Total Outstanding Amount #	20,969.93	25,852.05	14,207.83	16,997.82
(b)	Provisions made	217.35	188.36	145.90	110.83
	Sub-Standard Assets**				
(a)	Total Outstanding Amount	932.94	298.06	223.64	90.45
(b)	Provisions made	95.64	33.30	20.67	8.41
	Doubtful Assets – Category-I**				
(a)	Total Outstanding Amount	54.62	103.18	2.01	33.07
(b)	Provisions made	5.97	11.92	0.18	2.93
	Doubtful Assets – Category-II**				
(a)	Total Outstanding Amount	24.91	110.37	15.93	63.60
(b)	Provisions made	2.49	12.28	1.77	6.36
	Doubtful Assets – Category-III**				
(a)	Total Outstanding Amount	16.60	29.79	2.51	6.03
(b)	Provisions made	1.83	3.45	0.53	6.03
	Loss Assets**				
(a)	Total Outstanding Amount	2.67	25.91	-	-
(b)	Provisions made	2.67	25.91	-	-
	TOTAL				
(a)	**Total Outstanding Amount**	22,001.66	26,419.36	14,451.93	17,190.97
(b)	**Provisions made**	325.95	275.22	169.05	134.56

** Represent Stage III loans

Note:

\#

Standard Assets	Housing		Non-Housing	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Principal outstanding	20,761.81	25,627.17	13,603.92	16,408.17
Interest accrued	236.21	253.65	236.16	249.66
EIR and other Ind AS adjustment	(28.09)	(28.77)	367.75	339.99

2. The Category of Doubtful Assets will be as under:

Period for which the assets has been considered as doubtful	Category
Up to one year	Category-I
One to three years	Category-II
More than three years	Category-III

(Currency : Indian rupees in millions)

53. Regulatory disclosures

(xxii) *Draw Down from Reserves*

The Company has drawn Rs. 127.93 million (Previous Year Rs. Nil) from the debenture redemption reserve and transferred to retained earnings on redemption of debentures till March 31, 2021. Further, pursuant to the amendments in the Companies Act, 2013, debenture redemption reserve is not required to be created for debentures issued by Non-Banking Finance Companies (including Housing Finance Companies) regulated by Reserve Bank of India.

(xxiii) *Concentration of Public Deposits, Advances, Exposures and NPAs*

Concentration of Public Deposits (for Public Deposit taking/holding HFCs)

Particular	As at March 31, 2021	As at March 31, 2020
Total Deposit of twenty largest depositors	NA	NA
% of deposits to twenty largest depositors to total Deposits of the HFC	NA	NA

Concentration of Loans & Advances

Particular	As at March 31, 2021	As at March 31, 2020
Total Loans & Advances to twenty largest borrowers	3,456.50	1,791.01
% of Loans & Advances to twenty largest borrowers to total advances of the HFC	9.48%	4.11%

Concentration of all exposure (including off-balance sheet exposure)

Particular	As at March 31, 2021	As at March 31, 2020
Total exposures to twenty largest borrowers / customers	3,445.64	1,830.40
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	9.21%	4.18%

Concentration of NPAs (Stage III loans)

Particular	As at March 31, 2021	As at March 31, 2020
Total exposures to top ten NPAs	197.87	173.48

Sector-wise NPAs (Stage III loans)

Sl. No.	Sector	% of NPAs to total advances in that sector	
		As at March 31, 2021	As at March 31, 2020
A.	**Housing Loans:**		
1	Individual	4.91%	2.08%
2	Builders / Project Loans	0.00%	2.29%
3	Corporates	9.11%	6.68%
4	Other (specify)	0.00%	0.00%
B.	**Non-Housing Loans:**		
1	Individual	2.07%	1.16%
2	Builders / Project Loans	0.00%	0.00%
3	Corporates	0.00%	0.00%
4	Other (HUF & Partnership Firm)	0.08%	1.43%

* NPAs represents Stage III loans.

(xxiv) *Movements of NPAs (Stage III loans)*

The following table sets forth, for the periods indicated, the details of movement of gross Non-performing assets (NPAs), net NPAs and provision

Particular	As at March 31, 2021	As at March 31, 2020
i) Net NPAs to net advances (%)	3.15%	1.49%
ii) Movement of Gross NPAs		
a) Opening balance	760.57	982.91
b) Additions during the year	2,330.88	1,571.29
c) Reductions during the year	(1,815.67)	(1,793.63)
d) Closing balance	1,275.78	760.57
iii) Movement of net NPAs		
a) Opening balance	649.99	842.03
b) Additions during the year	2,045.97	1,358.59
c) Reductions during the year	(1,551.91)	(1,550.63)
d) Closing balance	1,144.05	649.99
iv) Movement of provisions for NPAs		
a) Opening balance	110.58	140.88
b) Provisions made during the year	284.91	212.70
c) Write-off/write-back of excess provisions	(263.76)	(243.00)
d) Closing balance	131.73	110.58

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Notes to the financial statements (Continued)
(Currency : Indian rupees in millions)

53. Regulatory disclosures

(xxv) ***Asset liability management***

Maturity pattern of certain items of assets and liabilities
As at March 31, 2021

Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from Bank	-	1,154.47	-	650.00	2,180.00	1,584.58	3,519.01	10,964.77	2,042.56	532.99	22,628.38
Market Borrowing	2.45	-	259.08	37.13	315.75	818.79	2,792.57	2,022.03	500.00	5,437.56	12,185.35
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Gross Advances	160.80	272.67	287.21	563.76	811.57	1,772.24	4,172.25	10,529.42	2,220.20	15,663.51	36,453.62
Investments*	-	-	65.73	-	-	90.11	-	-	-	1,600.86	1,756.70
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

**Includes securities held for trading also.*

As at March 31, 2020

Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from Bank	-	-	-	100.79	2,224.35	1,946.09	4,072.48	12,488.88	4,761.47	-	25,594.06
Market Borrowing	-	13.11	44.14	197.34	725.20	85.71	549.17	4,267.94	429.19	6,686.32	12,998.12
Foreign Currency Liabilities			-	-	-	-	-	-	-	-	-
Assets											
Gross Advances	395.69	229.43	252.40	660.87	956.61	2,087.24	3,996.03	8,060.50	3,058.49	23,913.20	43,610.46
Investments	-	-	-	-	-	-	-	-	-	1,044.73	1,044.73
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

In computing the above information, certain estimates assumptions and adjustments have been made by the management which are consistent with the guidelines provided by the regulator.

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(Currency : Indian rupees in millions)

53. Regulatory disclosures

(xxvi) ***Details of ratings assigned by credit rating agencies and migration of ratings during the year***

As at March 31, 2021

Instrument Category	ICRA	CARE	Brickworks	CRISIL
i) Long Term Instruments :	LT-NCD, BLR and LT-Sub Debt	LT-NCD, BLR and LT-Sub Debt	LT-NCD and Perpetual Debt	LT-NCD, BLR and LT-Sub Debt
Rating	ICRA A+ / Negative	CARE A+/Stable	BWR AA-/Stable and BWR A+/Stable	CRISIL AA-/Negative
Amount	60178.10	30831.00	8500.00	35350.00
ii) Short Term Instruments :	NA	CPs-ST	NA	CPs-ST
Rating	NA	CARE A1+	NA	CRISIL A1+
Amount	NA	10000.00	NA	10000.00

Following are the migration of ratings during the year:

1. ICRA Ratings revised the ratings on Long Term Debt from AA- to A+ on 5th May'2020 while keeping the outlook unchanged at Negative and also the Short term ratings from ICRA A1+ to ICRA A1

2. CARE Ratings revised the outlook on Long Term Debt ratings from Stable to Negative on 7th May' 2020 and Revise the Long term Debt ratings from CARE AA- to CARE A+ and revised the outlook from Stable to Negative on 8th Oct' 2020.

3. CRISIL Ratings revised the outlook on Long term Debt ratings from Stable to Negative on 25th May' 2020.

4. Brickwork Ratings revises the ratings on Long Term Debt from AA to AA- on 10th Nov' 2020 and revise the outlook Stable from Negative

As at March 31, 2020

Instrument Category	ICRA	CARE	Brickworks	CRISIL
i) Long Term Instruments :	LT-NCD, BLR and LT-Sub Debt	LT-NCD, BLR and LT-Sub Debt	LT-NCD and Perpetual Debt	LT-NCD, BLR and LT-Sub Debt
Rating	ICRA AA-/Negative	CARE AA- Stable and CARE AA- (SO)/Stable	BWR AA/ Negative and BWR AA- /Negative	CRISIL AA-/Stable
Amount	67600.00	31780.00	8500.00	35350.00
ii) Short Term Instruments :	CPs-ST	CPs-ST	NA	CPs-ST
Rating	NA	CARE A1+	NA	CRISIL A1+
Amount	NA	10000.00	NA	10000.00

Following are the migration of ratings during the year:

1.ICRA Ratings revised the outlook on Long Term Debt ratings from Stable to Negative in April'2019 and downgraded the Long term ratings from ICRA AA to ICRA AA- while keeping the outlook unchanged in June 2019.

2.CARE Ratings downgraded the Long term Debt ratings from CARE AA to CARE AA- and revised the outlook from Stable and Negative in July'2019

3.Brickworks Ratings revised the outlook on Long Term Debt ratings from Stable to Negative in July'2019 and downgraded the Long term ratings from BWR AA+ to BWR AA while keeping the outlook unchanged in September 2019

4.Crisil Ratings revised the outlook on Long Term Debt ratings from Stable to Negative in July'2019 and downgraded the Long term ratings from CRISIL AA to CRISIL AA- changing the outlook from Negative to Stable in October 2019

Edelweiss Housing Finance Limited
Notes to the financial statements *(Continued)*
(Currency : Indian rupees in millions)

53 Regulatory Disclosures

(xxvii) ***Disclosure of Restructured Accounts***

(as required by RBI guidelines under reference DNBS. CO. PD. No. 367 / 03.10.01 / 2013-14 dated January 23, 2014 read with RBI circular RBI/2019-20/160 DOR.No.BP.BC.34/21.04.048/2019-20 dated February 11, 2020 & RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 dated August 6, 2020).

Sl No	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
	Details																					
1	Restructured accounts as on 1st April, 2020 (Opening figures) (refer note 1)	No. of borrowers	-	-	-	-	-	-	-	-	-	-					-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-					-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-					-	-	-	-	-	-
2	Fresh restructuring during the year (refer note 2)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	60.00	6.00	-	-	66.00	60.00	6.00	-	-	66.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	195.09	11.81	-	-	206.90	195.09	11.81	-	-	206.90
		Provision thereon	-	-	-	-	-	-	-	-	-	-	15.39	1.27	-	-	16.65	15.39	1.27	-	-	16.65
3	Upgradations of restructured accounts to Standard category	No. of borrowers	-	-	-	-	-	-	-	-	-	-	2.00	(2.00)	-	-	-	2.00	(2.00)	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	3.07	(3.07)	-	-	-	3.07	(3.07)	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	0.32	(0.32)	-	-	-	0.32	(0.32)	-	-	-
		5% new provision on standard assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured advances which ceases to attract higher provisioning and/ or additional risk weight at the end of the financial year and hence need not be shown as restructured standard advances at the beginning of the next financial year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	2.22	0.77	-	-	2.99	2.22	0.77	-	-	2.99
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(1.00)	1.00	-	-	1.00	(1.00)	1.00	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	(1.31)	1.31	-	-	1.31	(1.31)	1.31	-	-	(0.00)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(0.14)	0.14	-	-	0.14	(0.14)	0.14	-	-	-
6	Write-offs of restructured accounts during the FY 17-18	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured accounts as on 31st Mar, 2021 (Closing figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	61	5	-	-	66.00	61.00	5.00	-	-	66.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	199.08	10.82	-	-	209.90	199.08	10.82	-	-	209.90
		Provision thereon	-	-	-	-	-	-	-	-	-	-	15.57	1.08	-	-	16.65	15.57	1.08	-	-	16.65

Note :
Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable)

(Currency: Indian rupees in millions)

53. Regulatory Disclosures

(xxviii) **Note to the balance sheet of a non-deposit taking National Housing Banking Company**

Note to the balance sheet of a non-deposit taking National Housing Banking Company as required in terms of paragraph 18 of Master Direction- National Housing Banking Company- Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 read with The Reserve Bank of India (RBI) vide Circular No. RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 on Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021.

Liabilities side:				
Particulars	Amount outstanding		Amount overdue	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
1) Loans and advances availed by NHB inclusive of interest accrued thereon but not paid				
a) Debentures:				
(other than those falling within the meaning of Public deposit)				
(i) Secured	**11,676.75**	10,091.57	-	-
(ii) Unsecured	**508.61**	508.61	-	-
b) Deferred credits	-	-	-	-
c) Term loans	**22,479.11**	27,349.22	-	-
d) Inter-corporate loans and borrowing	-	-	-	-
e) Commercial paper	-	-	-	-
f) Other loans	-	-	-	-
(i) Loan from related parties	-	13.11	-	-
(ii) Bank overdraft	**149.27**	629.69	-	-
(* Please see note 1 below)				
Assets side:				
2) Break up of loans and advances including bills receivables				
(other than those included in (3) below)				
a) Secured	**34,937.09**	43,580.99	-	-
b) Unsecured	**1,516.49**	29.40	-	-
3) Break up of leased assets and stock on hire and other assets counting towards AFC activities				
a) Lease assets including lease rentals under sundry debtors:				
(i) Financial lease	-	-	-	-
(ii) Operating lease	-	-	-	-
b) Stock on hire including hire charges under sundry debtors				
(i) Assets on hire	-	-	-	-
(ii) Repossessed assets	-	-	-	-
c) Other loans counting towards asset financing Company activities				
(i) Loans where assets have been repossessed	-	-	-	-
(ii) Other loans	-	-	-	-

(Currency: Indian rupees in millions)

53. Regulatory Disclosures

(xxviii) Note to the balance sheet of a non-deposit taking National Housing Banking Company

Note to the balance sheet of a non-deposit taking National Housing Banking Company as required in terms of paragraph 18 of Master Direction- National Housing Banking Company- Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 read with The Reserve Bank of India (RBI) vide Circular No. RBI 2020-21 73 DOR.FIN.HFC.CC No.120/03.10.136/2020-21 on Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021.

	As at March 31, 2021	As at March 31, 2020
4) Break up of investments		
Current investments:		
a) **Quoted:**		
(i) Shares: Equity	65.72	-
Preference	-	-
(ii) Debentures and bonds	90.11	-
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others	-	-
b) **Unquoted:**		
(i) Shares: Equity	-	-
Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others (pass through certificates)	-	-
Long-term investments (net of provision)		
a) Quoted:		
(i) Shares: Equity	-	-
Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others	-	-
b) Unquoted:		
(i) Shares: Equity	-	-
Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others : Pass through certificates	-	-
Security receipts	1,600.86	1,044.73

5) Borrower group-wise classification of assets financed as in (2) and (3) above

Particulars	Amount net of provisions					
	Secured		Unsecured		Total	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
1. Related parties**						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	1,012.97	21.90	1,012.97	21.90
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	34,446.29	43,171.22	499.33	7.50	34,945.62	43,178.72
TOTAL	34,446.29	43,171.22	1,512.30	29.40	35,958.59	43,200.62

6) Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted)

Particulars	Market value/break up or fair value or NAV		Book value (net of provisions)	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
1) Related parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	1,010.11	1,044.73	1,010.11	1,044.73
(c) Other related parties	-	-	-	-
2) Other than related parties	590.75	-	590.75	-
TOTAL	1,600.86	1,044.73	1,600.86	1,044.73

7) Other information

Particulars	As at March 31, 2021	As at March 31, 2020
a) Gross non-performing assets		
1) Related parties	-	-
2) Other than related parties	1,275.82	760.57
b) Net non-performing assets		
1) Related parties	-	-
2) Other than related parties	1,144.01	649.98
c) Assets acquired in satisfaction of debt	-	-

Note :
1. As defined in paragraph 2(1)(xii) of the Non-Banking Financial Compnay Acceptance of public deposits(Reserve bank) Direction,1998.

(Currency :Indian rupees in millions)

53. Regulatory Disclosures

(xxix) Disclosure on liquidity risk

As required in accordance with RBI Circular No. RBI 2020-21 73 DOR.FIN.HFC.CC.No.120 03.10.136 2020-21 dated February 17,2021 on Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 read with RBI 2019-20 88 DOR.NBFC (PD) CC. No.102 03.10.001 2019-20 dated November 04, 2019

a) **Funding Concentration based on significant counterparty (both deposits and borrowings)**

	As at March 31, 2021
Number of significant counterparties*	12
Amount of borrowings from significant counterparties	28,916.36
% of Total deposits	NA
% of Total liabilities**	69.37%

* *"Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the HFC's total liabilities.*

** *"Total liabilities" refers to total external liabilities (i.e. excluding total equity).*

b) **Top 20 large deposits**

The Company being a Systemically Important Non-Deposit taking Housing Finance Company registered with National Housing Bank, does not accept public deposits.

c) **Top 10 Borrowings**

	As at March 31, 2021
Amount of Borrowings from top 10 lenders	27,978.86
% of Total Borrowings	80.37%

d) **Funding Concentration based on significant instrument/product***

	As at March 31, 2021	
	Amount	% of Total Liabilities**
Market Borrowings		
Non Convertible Debentures	11,676.75	28.01%
Perpetual and Sub-ordinated Debentures	508.61	1.22%
Other Borrowings		
Term Loans	21,279.11	51.05%
Working Capital Demand Loan	1,200.00	2.88%

* *"significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the HFC's total liabilities.*

** *"Total liabilities" refers to total external liabilities (i.e. excluding total equity).*

(Currency :Indian rupees in millions)

53. **Regulatory Disclosures**

e) **Stock Ratios**

	As at March 31, 2021
Commercial papers as a % of total public funds*	0.00%
Commercial papers as a % of total liabilities	0.00%
Commercial papers as a % of total assets	0.00%
Non-convertible debentures (original maturity of less than one year) as a % of total public funds	0.00%
Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	0.00%
Non-convertible debentures (original maturity of less than one year) as a % of total assets	0.00%
Other short-term liabilities**, if any as a % of total public funds	3.88%
Other short-term liabilities**, if any as a % of total liabilities	3.24%
Other short-term liabilities**, if any as a % of total assets	2.74%

* *"Total public funds" refers to the aggregate of Debt securities, Borrowing other than debt securities and Subordinated liabilities.*

** *"Other short-term liabilities" refers to the borrowing in short term in nature.*

f) **Institutional set-up for liquidity risk management**

The Board of Directors of the Company has constituted the Asset Liability Management Committee and the Risk Management Committee.

The Asset Liability Management Committee, inter alia

Implement and administer guidelines on Asset-Liability Management approved by the Board and its revision, if any;

Monitor the asset liability gap and overcome the asset-liability mismatches, interest risk exposure, etc.; Strategize action to mitigate risk associated with the asset liability gap;

Develop risk policies and procedures and verify adherence to various risk parameters and prudential limits; review the risk monitoring system and ensure effective risk management; and

Ensure that the credit and investment exposure to any party / Company / group of parties or companies does not exceed the internally set limits as well as statutory limits as prescribed by Reserve Bank of India from time to time.

Company has a Liquidity Contingency Policy in place to ensure various liquidity parameters are defined and tracked regularly. Liquidity Management Team is provided with update on expected liquidity shortfalls in Normal as well as Stress scenario.

the Company has ensured maintenance of a Liquidity Cushion in the form of Mutual Funds and liquid fixed deposits with banks, etc. These assets carry minimal credit risk and can be liquidated in a very short period of time. A comfortable liquidity cushion is maintained of the borrowings. These would be to take care of immediate obligations while continuing to honour our commitments as a going concern.

There are available lines of credit from banks which are drawable on notice which further augment the available sources of funds.

S.R. Batliboi & Co. LLP Chartered Accountants

Edelweiss Housing Finance Limited

(Currency: Indian rupees in millions)

53. Regulatory Disclosures

(xxx) Prudential Floor for ECL

As at March 31, 2021

Housing Finance Companies (NBFC-HFC) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109. The impairment allowances under Ind AS 109 made by the Company higher than the total provision required under IRACP (including standard asset provisioning), as at March 31, 2021 and accordingly, no amount is required to be transferred to impairment reserve.

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5 = 3 - 4	6	7 = 4 - 6
Performing Assets						
Standard	Stage 1	30,886.32	82.28	30,804.04	137.44	(55.16)
	Stage 2	4,291.44	279.42	4,012.02	32.14	247.28
Subtotal		**35,177.76**	**361.70**	**34,816.06**	**169.58**	**192.12**
Non-Performing Assets (NPA)						
Substandard	Stage 3	1,156.63	114.89	1,041.73	163.33	(48.44)
Doubtful - up to 1 year	Stage 3	56.63	6.15	50.48	11.77	(5.61)
1 to 3 years	Stage 3	40.84	4.26	36.58	10.87	(6.61)
More than 3 years	Stage 3	19.06	2.36	16.70	12.57	(10.21)
Subtotal for doubtful		**116.53**	**12.77**	**103.76**	**35.21**	**(22.44)**
Loss	Stage 3	2.67	2.67	-	2.67	-
Subtotal for NPA		**1,275.82**	**130.33**	**1,145.49**	**201.21**	**(70.88)**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	1,257.25	0.97	1,256.28	-	0.97
	Stage 2	10.02	0.58	9.44	-	0.58
	Stage 3	13.99	1.40	12.59	-	1.40
Subtotal		**1,281.26**	**2.95**	**1,278.32**	-	**2.95**
Total	Stage 1	**32,143.57**	**83.25**	**32,060.32**	**137.44**	**(54.19)**
	Stage 2	**4,301.47**	**280.01**	**4,021.46**	**32.14**	**247.86**
	Stage 3	**1,289.82**	**131.73**	**1,158.08**	**201.21**	**(69.48)**
	Total	**37,734.85**	**494.99**	**37,239.87**	**370.79**	**124.19**

(Currency : Indian rupees in millions)

53. **Regulatory disclosures**

(xxxi) ***Overseas Assets***
The Company do not hold any Overseas Assets; (Previous Year Nil).

(xxxii) ***Off-balance Sheet SPV's sponsored - None*** *(Previous Year: None)*

(xxxiii) ***Disclosure of complaints***
Customer complaints

Particular	As at March 31, 2021	As at March 31, 2020
(a) No. of complaints pending at the beginning of the year	3	6
(b) No. of complaints received during the year	214	85
(c) No. of complaints redressed during the year	212	88
(d) No. of complaints pending at the end of the year	5	3

(xxxiv) ***Company information***
The Company has its operations in India and it does not have any joint venture partners with regard to Joint ventures and overseas subsidiaries as at and for the year ended March 31, 2021 and March 31, 2020.

(xxxv) ***Details of transaction with non executive directors***

Name of the Director	Nature of Transaction	For the year ended March 31, 2021	For the year ended March 31, 2020
Mr. P. Vaidyanathan	Sitting fees	-	0.32
Biswamohan Mahapatra	Sitting fees	0.10	-
Sunil Phatarphekar	Sitting fees	0.28	-
Mr. P N Venkatachalam	Sitting fees	0.40	0.48

(xxxvi) **Registration/License obtained from other financial sector regulators -** Nil (Previous year Nil).

(xxxvii) **The Company has not postponed revenue recognition on any item during the current year and previous year.**

(xxxviii) **Disclosure of penalties imposed by NHB and other regulators -** Nil (Previous year Nil).

(Currency : Indian rupees in millions)

54. Other regulatory disclosures

(i) Disclosure under Regulation 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Related Party transactions

Particulars	As at March 31, 2021	As at March 31, 2020
Loans and advances in the nature of loans to subsidiaries	-	-
Loans and advances in the nature of loans to associates	-	-
Loans and advances in the nature of loans to firms/companies in which directors are interested	1,009.71	21.90
Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan	-	-

(ii) Disclosure Large Corporate as per the applicability criteria given under the SEBI circular SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018.

Initial Disclosure to be made by an entity identified as a Large Corporate

Sr. No	Particulars	Details
1	Name of the Company	Edelweiss Housing Finance Limited
2	CIN	U65922MH2008PLC182906
3	Outstanding borrowing of Company as on March 31, 2021	34,813.74
4	Highest Credit Rating during the previous FY along with name of the Credit Rating Agency	As per Tabe 1 below
5	Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	BSE LIMITED

Table 1

Product	Credit Rating	Name of Rating Agency
Bank Borrowings	ICRA A+/Negative	ICRA Limited
Bank Borrowings	CRISIL AA-/Negative	CRISIL
Bank Borrowings	CARE A+/Stable	CARE Limited
Commercial Papers	CARE A1+	CARE Limited
Commercial Papers	CRISIL A1+	CRISIL
Long Term Sub-Debt	CARE A+/Stable	CARE Limited
Long Term Sub-Debt	CRISIL AA-/Negative	CRISIL
Long Term Sub-Debt	ICRA A+/Negative	ICRA Limited
Long Term-NCD	BWR AA-/Stable	Brickwork Ratings
Long Term-NCD	ICRA A+/Negative	ICRA Limited
Long Term-NCD	CRISIL AA-/Negative	CRISIL
Long Term-NCD	CARE A+/Stable	CARE Limited
Perpetual - Debt	BWR A+/Stable	Brickwork Ratings

(iii) Details of incremental borrowings during the year ended March 31, 2021

Particulars	Details
Incremental borrowing done in FY (a)	3,750.00
Mandatory borrowing to be done through issuance of debt securities (b) = (25% of a)	937.50
Actual borrowings done through debt securities in FY (c)	3,750.00
Shortfall in the mandatory borrowing through debt securities, if any (d) = (b) - (c) {If the calculated value is zero or negative, write "nil"}	Nil
Reasons for short fall, if any, in mandatory borrowings through debt securities	NA

(Currency : Indian rupees in millions)

(iv) Details of moratorium / deferment extended to eligible customers under COVID19 Regulatory package

The company has extended moratorium / deferment of term loan installments falling due in moratorium period to its eligible customers who have opted for moratorium under RBI circular on 'COVID-19 – Regulatory Package' dated March 27, 2020 and 'COVID19 Regulatory Package - Asset Classification and Provisioning' dated April 17, 2020.

For the half year and year ended March 31, 2021		**(₹ in million)**
(a)	Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 (Outstanding amount as at March 31, 2021)	2,897.80
(b)	Respective amount where asset classification benefits is extended (Outstanding amount as at March 31, 2021)	2,636.80
(c)	Provisions made in terms of paragraph 5 of the circular (As per para 4, applicable to NBFC covered under IndAS)	240.70
(d)	Provisions adjusted against slippages in terms of paragrph 6 of the circular	143.00
(e)	Residual provisions as on March 31, 2021 in terms of paragraph 6 of the circular	97.70

For the half year and year ended March 31, 2020		
(a)	Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 (Outstanding amount as at March 31, 2020)	1897.00
(b)	Respective amount where asset classification benefits is extended (Outstanding amount as at March 31, 2020)	445.80
(c)	Provisions made in terms of paragraph 5 of the circular (As per para 4, applicable to NBFC covered under IndAS)	23.40
(d)	Provisions adjusted against slippages in terms of paragrph 6 of the circular	-
(e)	Residual provisions as on March 31, 2020 in terms of paragraph 6 of the circular	23.40

(v) In accordance with the instructions in the RBI circular dated April 7, 2021, all lending institutions shall refund / adjust 'interest on interest' to all borrowers including those who had availed working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the Indian Banks Association (IBA) in consultation with other industry participants / bodies published the methodology for calculation of the amount of such 'interest on interest'. Accordingly, the Company has estimated Rs. 6.7 million and made provision for refund / adjustment.

(vi) Details of Resolution plan implemented under the Resolution Framework for COVID-19 related stress as per circular dated August 6, 2020.

Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal Loans	42	119.40	-	-	10.80
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**42**	**119.40**	-	-	**10.80**

**As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016*

(vii) There are no amount due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2021 and as at March 31, 2020.

55. Figures of the previous year have been regrouped / reclassified wherever necessary to conform to current year presentation.

As per our report of even date attached.

For S.R.Batliboi & Co.LLP
Chartered Accountants
Firm's Registration No. 301003E E300005

per **Shrawan Jalan**
Partner
Membership No: 102102

S.R. BATLIBOI & CO. LLP MUMBAI Chartered Accountants

Place : Mumbai
Date : June 4, 2021

For and on behalf of the Board of Directors
Edelweiss Housing Finance Limited

Rajat Avasthi
MD & CEO
DIN: 07969623

Deepak Mittal
Director
DIN: 00010337

Manish Dhanuka
Chief Financial Officer

Riddhi Parekh
Company Secretary
Membership No. A20867